



Executive Committee

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09500SB1305ham001

LRB095 10735 JAM 37138 a

1 AMENDMENT TO SENATE BILL 1305

2 AMENDMENT NO. _____. Amend Senate Bill 1305 by replacing
3 everything after the enacting clause with the following:

4 "Section 3. The Illinois Governmental Ethics Act is amended
5 by changing Sections 4A-101, 4A-102, 4A-105, 4A-106, and 4A-107
6 as follows:

7 (5 ILCS 420/4A-101) (from Ch. 127, par. 604A-101)

8 Sec. 4A-101. Persons required to file. The following
9 persons shall file verified written statements of economic
10 interests, as provided in this Article:

11 (a) Members of the General Assembly and candidates for
12 nomination or election to the General Assembly.

13 (b) Persons holding an elected office in the Executive
14 Branch of this State, and candidates for nomination or
15 election to these offices.

16 (c) Members of a Commission or Board created by the

1 Illinois Constitution, and candidates for nomination or
2 election to such Commission or Board.

3 (d) Persons whose appointment to office is subject to
4 confirmation by the Senate.

5 (e) Holders of, and candidates for nomination or
6 election to, the office of judge or associate judge of the
7 Circuit Court and the office of judge of the Appellate or
8 Supreme Court.

9 (f) Persons who are employed by any branch, agency,
10 authority or board of the government of this State,
11 including but not limited to, the Illinois State Toll
12 Highway Authority, the Illinois Housing Development
13 Authority, the Illinois Community College Board, and
14 institutions under the jurisdiction of the Board of
15 Trustees of the University of Illinois, Board of Trustees
16 of Southern Illinois University, Board of Trustees of
17 Chicago State University, Board of Trustees of Eastern
18 Illinois University, Board of Trustees of Governor's State
19 University, Board of Trustees of Illinois State
20 University, Board of Trustees of Northeastern Illinois
21 University, Board of Trustees of Northern Illinois
22 University, Board of Trustees of Western Illinois
23 University, or Board of Trustees of the Illinois
24 Mathematics and Science Academy, and are compensated for
25 services as employees and not as independent contractors
26 and who:

1 (1) are, or function as, the head of a department,
2 commission, board, division, bureau, authority or
3 other administrative unit within the government of
4 this State, or who exercise similar authority within
5 the government of this State;

6 (2) have direct supervisory authority over, or
7 direct responsibility for the formulation,
8 negotiation, issuance or execution of contracts
9 entered into by the State in the amount of \$5,000 or
10 more;

11 (3) have authority for the issuance or
12 promulgation of rules and regulations within areas
13 under the authority of the State;

14 (4) have authority for the approval of
15 professional licenses;

16 (5) have responsibility with respect to the
17 financial inspection of regulated nongovernmental
18 entities;

19 (6) adjudicate, arbitrate, or decide any judicial
20 or administrative proceeding, or review the
21 adjudication, arbitration or decision of any judicial
22 or administrative proceeding within the authority of
23 the State;

24 (7) have supervisory responsibility for 20 or more
25 employees of the State; or

26 (8) negotiate, assign, authorize, or grant naming

1 rights or sponsorship rights regarding any property or
2 asset of the State, whether real, personal, tangible,
3 or intangible.

4 (g) Persons who are elected to office in a unit of
5 local government, and candidates for nomination or
6 election to that office, including regional
7 superintendents of school districts.

8 (h) Persons appointed to the governing board of a unit
9 of local government, or of a special district, and persons
10 appointed to a zoning board, or zoning board of appeals, or
11 to a regional, county, or municipal plan commission, or to
12 a board of review of any county, and persons appointed to
13 the Board of the Metropolitan Pier and Exposition Authority
14 and any Trustee appointed under Section 22 of the
15 Metropolitan Pier and Exposition Authority Act, and
16 persons appointed to a board or commission of a unit of
17 local government who have authority to authorize the
18 expenditure of public funds. This subsection does not apply
19 to members of boards or commissions who function in an
20 advisory capacity.

21 (i) Persons who are employed by a unit of local
22 government and are compensated for services as employees
23 and not as independent contractors and who:

24 (1) are, or function as, the head of a department,
25 division, bureau, authority or other administrative
26 unit within the unit of local government, or who

1 exercise similar authority within the unit of local
2 government;

3 (2) have direct supervisory authority over, or
4 direct responsibility for the formulation,
5 negotiation, issuance or execution of contracts
6 entered into by the unit of local government in the
7 amount of \$1,000 or greater;

8 (3) have authority to approve licenses and permits
9 by the unit of local government; this item does not
10 include employees who function in a ministerial
11 capacity;

12 (4) adjudicate, arbitrate, or decide any judicial
13 or administrative proceeding, or review the
14 adjudication, arbitration or decision of any judicial
15 or administrative proceeding within the authority of
16 the unit of local government;

17 (5) have authority to issue or promulgate rules and
18 regulations within areas under the authority of the
19 unit of local government; or

20 (6) have supervisory responsibility for 20 or more
21 employees of the unit of local government.

22 (j) Persons on the Board of Trustees of the Illinois
23 Mathematics and Science Academy.

24 (k) Persons employed by a school district in positions
25 that require that person to hold an administrative or a
26 chief school business official endorsement.

1 (1) Special government agents. A "special government
2 agent" is a person who is directed, retained, designated,
3 appointed, or employed, with or without compensation, by or
4 on behalf of a statewide executive branch constitutional
5 officer to make an ex parte communication under Section
6 5-50 of the State Officials and Employees Ethics Act or
7 Section 5-165 of the Illinois Administrative Procedure
8 Act.

9 (m) Members of the board of any pension fund or
10 retirement system established under Article 2, 14, 15, 16,
11 or 18 of the Illinois Pension Code and members of the
12 Illinois State Board of Investment, if not required to file
13 under any other provision of this Section.

14 (n) Members of the board of any pension fund or
15 retirement system established under Article 3, 4, 5, 6, 7,
16 8, 9, 10, 11, 12, 13, 17, 19, or 22 of the Illinois Pension
17 Code, if not required to file under any other provision of
18 this Section.

19 This Section shall not be construed to prevent any unit of
20 local government from enacting financial disclosure
21 requirements that mandate more information than required by
22 this Act.

23 (Source: P.A. 93-617, eff. 12-9-03; 93-816, eff. 7-27-04.)

24 (5 ILCS 420/4A-102) (from Ch. 127, par. 604A-102)

25 Sec. 4A-102. The statement of economic interests required

1 by this Article shall include the economic interests of the
2 person making the statement as provided in this Section. The
3 interest (if constructively controlled by the person making the
4 statement) of a spouse or any other party, shall be considered
5 to be the same as the interest of the person making the
6 statement. Campaign receipts shall not be included in this
7 statement.

8 (a) The following interests shall be listed by all persons
9 required to file:

10 (1) The name, address and type of practice of any
11 professional organization or individual professional
12 practice in which the person making the statement was an
13 officer, director, associate, partner or proprietor, or
14 served in any advisory capacity, from which income in
15 excess of \$1200 was derived during the preceding calendar
16 year;

17 (2) The nature of professional services (other than
18 services rendered to the unit or units of government in
19 relation to which the person is required to file) and the
20 nature of the entity to which they were rendered if fees
21 exceeding \$5,000 were received during the preceding
22 calendar year from the entity for professional services
23 rendered by the person making the statement.

24 (3) The identity (including the address or legal
25 description of real estate) of any capital asset from which
26 a capital gain of \$5,000 or more was realized in the

1 preceding calendar year.

2 (4) The name of any unit of government which has
3 employed the person making the statement during the
4 preceding calendar year other than the unit or units of
5 government in relation to which the person is required to
6 file.

7 (5) The name of any entity from which a gift or gifts,
8 or honorarium or honoraria, valued singly or in the
9 aggregate in excess of \$500, was received during the
10 preceding calendar year.

11 (b) The following interests shall also be listed by persons
12 listed in items (a) through (f), ~~and~~ item (l), and item (m) of
13 Section 4A-101:

14 (1) The name and instrument of ownership in any entity
15 doing business in the State of Illinois, in which an
16 ownership interest held by the person at the date of filing
17 is in excess of \$5,000 fair market value or from which
18 dividends of in excess of \$1,200 were derived during the
19 preceding calendar year. (In the case of real estate,
20 location thereof shall be listed by street address, or if
21 none, then by legal description). No time or demand deposit
22 in a financial institution, nor any debt instrument need be
23 listed;

24 (2) Except for professional service entities, the name
25 of any entity and any position held therein from which
26 income of in excess of \$1,200 was derived during the

1 preceding calendar year, if the entity does business in the
2 State of Illinois. No time or demand deposit in a financial
3 institution, nor any debt instrument need be listed.

4 (3) The identity of any compensated lobbyist with whom
5 the person making the statement maintains a close economic
6 association, including the name of the lobbyist and
7 specifying the legislative matter or matters which are the
8 object of the lobbying activity, and describing the general
9 type of economic activity of the client or principal on
10 whose behalf that person is lobbying.

11 (c) The following interests shall also be listed by persons
12 listed in items (g), (h), ~~and~~ (i), and (n) of Section 4A-101:

13 (1) The name and instrument of ownership in any entity
14 doing business with a unit of local government in relation
15 to which the person is required to file if the ownership
16 interest of the person filing is greater than \$5,000 fair
17 market value as of the date of filing or if dividends in
18 excess of \$1,200 were received from the entity during the
19 preceding calendar year. (In the case of real estate,
20 location thereof shall be listed by street address, or if
21 none, then by legal description). No time or demand deposit
22 in a financial institution, nor any debt instrument need be
23 listed.

24 (2) Except for professional service entities, the name
25 of any entity and any position held therein from which
26 income in excess of \$1,200 was derived during the preceding

1 calendar year if the entity does business with a unit of
2 local government in relation to which the person is
3 required to file. No time or demand deposit in a financial
4 institution, nor any debt instrument need be listed.

5 (3) The name of any entity and the nature of the
6 governmental action requested by any entity which has
7 applied to a unit of local government in relation to which
8 the person must file for any license, franchise or permit
9 for annexation, zoning or rezoning of real estate during
10 the preceding calendar year if the ownership interest of
11 the person filing is in excess of \$5,000 fair market value
12 at the time of filing or if income or dividends in excess
13 of \$1,200 were received by the person filing from the
14 entity during the preceding calendar year.

15 (Source: P.A. 92-101, eff. 1-1-02; 93-617, eff. 12-9-03.)

16 (5 ILCS 420/4A-105) (from Ch. 127, par. 604A-105)

17 Sec. 4A-105. Time for filing. Except as provided in
18 Section 4A-106.1, by May 1 of each year a statement must be
19 filed by each person whose position at that time subjects him
20 to the filing requirements of Section 4A-101 unless he has
21 already filed a statement in relation to the same unit of
22 government in that calendar year.

23 Statements must also be filed as follows:

24 (a) A candidate for elective office shall file his
25 statement not later than the end of the period during which

1 he can take the action necessary under the laws of this
2 State to attempt to qualify for nomination, election, or
3 retention to such office if he has not filed a statement in
4 relation to the same unit of government within a year
5 preceding such action.

6 (b) A person whose appointment to office is subject to
7 confirmation by the Senate shall file his statement at the
8 time his name is submitted to the Senate for confirmation.

9 (b-5) A special government agent, as defined in item
10 (1) of Section 4A-101 of this Act, shall file a statement
11 within 30 days after making the first ex parte
12 communication and each May 1 thereafter if he or she has
13 made an ex parte communication within the previous 12
14 months.

15 (c) Any other person required by this Article to file
16 the statement shall file a statement at the time of his or
17 her initial appointment or employment in relation to that
18 unit of government if appointed or employed by May 1.

19 If any person who is required to file a statement of
20 economic interests fails to file such statement by May 1 of any
21 year, the officer with whom such statement is to be filed under
22 Section 4A-106 of this Act shall, within 7 days after May 1,
23 notify such person by certified mail of his or her failure to
24 file by the specified date. Except as may be prescribed by rule
25 of the Secretary of State, such person shall file his or her
26 statement of economic interests on or before May 15 with the

1 appropriate officer, together with a \$15 late filing fee. Any
2 such person who fails to file by May 15 shall be subject to a
3 penalty of \$100 for each day from May 16 to the date of filing,
4 which shall be in addition to the \$15 late filing fee specified
5 above. Failure to file by May 31 shall result in a forfeiture
6 in accordance with Section 4A-107 of this Act.

7 Any person who takes office or otherwise becomes required
8 to file a statement of economic interests within 30 days prior
9 to May 1 of any year may file his or her statement at any time
10 on or before May 31 without penalty. If such person fails to
11 file such statement by May 31, the officer with whom such
12 statement is to be filed under Section 4A-106 of this Act
13 shall, within 7 days after May 31, notify such person by
14 certified mail of his or her failure to file by the specified
15 date. Such person shall file his or her statement of economic
16 interests on or before June 15 with the appropriate officer,
17 together with a \$15 late filing fee. Any such person who fails
18 to file by June 15 shall be subject to a penalty of \$100 per day
19 for each day from June 16 to the date of filing, which shall be
20 in addition to the \$15 late filing fee specified above. Failure
21 to file by June 30 shall result in a forfeiture in accordance
22 with Section 4A-107 of this Act.

23 All late filing fees and penalties collected pursuant to
24 this Section shall be paid into the General Revenue Fund in the
25 State treasury, if the Secretary of State receives such
26 statement for filing, or into the general fund in the county

1 treasury, if the county clerk receives such statement for
2 filing. The Attorney General, with respect to the State, and
3 the several State's Attorneys, with respect to counties, shall
4 take appropriate action to collect the prescribed penalties.

5 Failure to file a statement of economic interests within
6 the time prescribed shall not result in a fine or ineligibility
7 for, or forfeiture of, office or position of employment, as the
8 case may be; provided that the failure to file results from not
9 being included for notification by the appropriate agency,
10 clerk, secretary, officer or unit of government, as the case
11 may be, and that a statement is filed within 30 days of actual
12 notice of the failure to file.

13 (Source: P.A. 93-617, eff. 12-9-03.)

14 (5 ILCS 420/4A-106) (from Ch. 127, par. 604A-106)

15 Sec. 4A-106. The statements of economic interests required
16 of persons listed in items (a) through (f), item (j), ~~and~~ item
17 (l), and item (m) of Section 4A-101 shall be filed with the
18 Secretary of State. The statements of economic interests
19 required of persons listed in items (g), (h), (i), ~~and~~ (k), and
20 (n) of Section 4A-101 shall be filed with the county clerk of
21 the county in which the principal office of the unit of local
22 government with which the person is associated is located. If
23 it is not apparent which county the principal office of a unit
24 of local government is located, the chief administrative
25 officer, or his or her designee, has the authority, for

1 purposes of this Act, to determine the county in which the
2 principal office is located. On or before February 1 annually,
3 (1) the chief administrative officer of any State agency in the
4 executive, legislative, or judicial branch employing persons
5 required to file under item (f) or item (l) of Section 4A-101
6 and the chief administrative officer of a board described in
7 item (m) of Section 4A-101 shall certify to the Secretary of
8 State the names and mailing addresses of ~~those~~ persons required
9 to file under those items, and (2) the chief administrative
10 officer, or his or her designee, of each unit of local
11 government with persons described in items (h), (i), ~~and~~ (k),
12 and (n) of Section 4A-101 shall certify to the appropriate
13 county clerk a list of names and addresses of persons described
14 in items (h), (i), ~~and~~ (k), and (n) of Section 4A-101 that are
15 required to file. In preparing the lists, each chief
16 administrative officer, or his or her designee, shall set out
17 the names in alphabetical order.

18 On or before April 1 annually, the Secretary of State shall
19 notify (1) all persons whose names have been certified to him
20 under items (f), ~~and~~ (l), and (m) of Section 4A-101, and (2)
21 all persons described in items (a) through (e) and item (j) of
22 Section 4A-101, other than candidates for office who have filed
23 their statements with their nominating petitions, of the
24 requirements for filing statements of economic interests. A
25 person required to file with the Secretary of State by virtue
26 of more than one item among items (a) through (f) and items

1 (j), ~~and~~ (l), and (m) shall be notified of and is required to
2 file only one statement of economic interests relating to all
3 items under which the person is required to file with the
4 Secretary of State.

5 On or before April 1 annually, the county clerk of each
6 county shall notify all persons whose names have been certified
7 to him under items (g), (h), (i), ~~and~~ (k), and (n) of Section
8 4A-101, other than candidates for office who have filed their
9 statements with their nominating petitions, of the
10 requirements for filing statements of economic interests. A
11 person required to file with a county clerk by virtue of more
12 than one item among items (g), (h), (i), ~~and~~ (k), and (n) shall
13 be notified of and is required to file only one statement of
14 economic interests relating to all items under which the person
15 is required to file with that county clerk.

16 Except as provided in Section 4A-106.1, the notices
17 provided for in this Section shall be in writing and deposited
18 in the U.S. Mail, properly addressed, first class postage
19 prepaid, on or before the day required by this Section for the
20 sending of the notice. A certificate executed by the Secretary
21 of State or county clerk attesting that he has mailed the
22 notice constitutes prima facie evidence thereof.

23 From the lists certified to him under this Section of
24 persons described in items (g), (h), (i), ~~and~~ (k), and (n) of
25 Section 4A-101, the clerk of each county shall compile an
26 alphabetical listing of persons required to file statements of

1 economic interests in his office under any of those items. As
2 the statements are filed in his office, the county clerk shall
3 cause the fact of that filing to be indicated on the
4 alphabetical listing of persons who are required to file
5 statements. Within 30 days after the due dates, the county
6 clerk shall mail to the State Board of Elections a true copy of
7 that listing showing those who have filed statements.

8 The county clerk of each county shall note upon the
9 alphabetical listing the names of all persons required to file
10 a statement of economic interests who failed to file a
11 statement on or before May 1. It shall be the duty of the
12 several county clerks to give notice as provided in Section
13 4A-105 to any person who has failed to file his or her
14 statement with the clerk on or before May 1.

15 Any person who files or has filed a statement of economic
16 interest under this Act is entitled to receive from the
17 Secretary of State or county clerk, as the case may be, a
18 receipt indicating that the person has filed such a statement,
19 the date of such filing, and the identity of the governmental
20 unit or units in relation to which the filing is required.

21 The Secretary of State may employ such employees and
22 consultants as he considers necessary to carry out his duties
23 hereunder, and may prescribe their duties, fix their
24 compensation, and provide for reimbursement of their expenses.

25 All statements of economic interests filed under this
26 Section shall be available for examination and copying by the

1 public at all reasonable times. Not later than 12 months after
2 the effective date of this amendatory Act of the 93rd General
3 Assembly, beginning with statements filed in calendar year
4 2004, the Secretary of State shall make statements of economic
5 interests filed with the Secretary available for inspection and
6 copying via the Secretary's website.

7 (Source: P.A. 93-617, eff. 12-9-03; 94-603, eff. 8-16-05.)

8 (5 ILCS 420/4A-107) (from Ch. 127, par. 604A-107)

9 Sec. 4A-107. Any person required to file a statement of
10 economic interests under this Article who willfully files a
11 false or incomplete statement shall be guilty of a Class A
12 misdemeanor.

13 Failure to file a statement within the time prescribed
14 shall result in ineligibility for, or forfeiture of, office or
15 position of employment, as the case may be; provided, however,
16 that if the notice of failure to file a statement of economic
17 interests provided in Section 4A-105 of this Act is not given
18 by the Secretary of State or the county clerk, as the case may
19 be, no forfeiture shall result if a statement is filed within
20 30 days of actual notice of the failure to file.

21 The Attorney General, with respect to offices or positions
22 described in items (a) through (f) and items (j), ~~and~~ (l), and
23 (m) of Section 4A-101 of this Act, or the State's Attorney of
24 the county of the entity for which the filing of statements of
25 economic interests is required, with respect to offices or

1 positions described in items (g) through (i), ~~and~~ item (k), and
2 item (n) of Section 4A-101 of this Act, shall bring an action
3 in quo warranto against any person who has failed to file by
4 either May 31 or June 30 of any given year.

5 (Source: P.A. 93-617, eff. 12-9-03.)

6 Section 5. The State Officials and Employees Ethics Act is
7 amended by changing Sections 1-5, 5-10, 5-20, 5-45, 20-5,
8 20-23, 20-40, 20-50, 20-90, 20-95, 25-5, 25-10, 25-23, and 50-5
9 as follows:

10 (5 ILCS 430/1-5)

11 Sec. 1-5. Definitions. As used in this Act:

12 "Appointee" means a person appointed to a position in or
13 with a State agency, regardless of whether the position is
14 compensated.

15 "Campaign for elective office" means any activity in
16 furtherance of an effort to influence the selection,
17 nomination, election, or appointment of any individual to any
18 federal, State, or local public office or office in a political
19 organization, or the selection, nomination, or election of
20 Presidential or Vice-Presidential electors, but does not
21 include activities (i) relating to the support or opposition of
22 any executive, legislative, or administrative action (as those
23 terms are defined in Section 2 of the Lobbyist Registration
24 Act), (ii) relating to collective bargaining, or (iii) that are

1 otherwise in furtherance of the person's official State duties.

2 "Candidate" means a person who has filed nominating papers
3 or petitions for nomination or election to an elected State
4 office, or who has been appointed to fill a vacancy in
5 nomination, and who remains eligible for placement on the
6 ballot at either a general primary election or general
7 election.

8 "Collective bargaining" has the same meaning as that term
9 is defined in Section 3 of the Illinois Public Labor Relations
10 Act.

11 "Commission" means an ethics commission created by this
12 Act.

13 "Compensated time" means any time worked by or credited to
14 a State employee that counts toward any minimum work time
15 requirement imposed as a condition of employment with a State
16 agency, but does not include any designated State holidays or
17 any period when the employee is on a leave of absence.

18 "Compensatory time off" means authorized time off earned by
19 or awarded to a State employee to compensate in whole or in
20 part for time worked in excess of the minimum work time
21 required of that employee as a condition of employment with a
22 State agency.

23 "Contribution" has the same meaning as that term is defined
24 in Section 9-1.4 of the Election Code.

25 "Employee" means (i) any person employed full-time,
26 part-time, or pursuant to a contract and whose employment

1 duties are subject to the direction and control of an employer
2 with regard to the material details of how the work is to be
3 performed, ~~or~~ (ii) any appointed or elected commissioner,
4 trustee, director, or board member of a board of a State
5 agency, or (iii) any other appointee.

6 "Executive branch constitutional officer" means the
7 Governor, Lieutenant Governor, Attorney General, Secretary of
8 State, Comptroller, and Treasurer.

9 "Gift" means any gratuity, discount, entertainment,
10 hospitality, loan, forbearance, or other tangible or
11 intangible item having monetary value including, but not
12 limited to, cash, food and drink, and honoraria for speaking
13 engagements related to or attributable to government
14 employment or the official position of an employee, member, or
15 officer.

16 "Governmental entity" means a unit of local government or a
17 school district but not a State agency.

18 "Leave of absence" means any period during which a State
19 employee does not receive (i) compensation for State
20 employment, (ii) service credit towards State pension
21 benefits, and (iii) health insurance benefits paid for by the
22 State.

23 "Legislative branch constitutional officer" means a member
24 of the General Assembly and the Auditor General.

25 "Legislative leader" means the President and Minority
26 Leader of the Senate and the Speaker and Minority Leader of the

1 House of Representatives.

2 "Member" means a member of the General Assembly.

3 "Officer" means an executive branch constitutional officer
4 or a legislative branch constitutional officer.

5 "Political" means any activity in support of or in
6 connection with any campaign for elective office or any
7 political organization, but does not include activities (i)
8 relating to the support or opposition of any executive,
9 legislative, or administrative action (as those terms are
10 defined in Section 2 of the Lobbyist Registration Act), (ii)
11 relating to collective bargaining, or (iii) that are otherwise
12 in furtherance of the person's official State duties or
13 governmental and public service functions.

14 "Political organization" means a party, committee,
15 association, fund, or other organization (whether or not
16 incorporated) that is required to file a statement of
17 organization with the State Board of Elections or a county
18 clerk under Section 9-3 of the Election Code, but only with
19 regard to those activities that require filing with the State
20 Board of Elections or a county clerk.

21 "Prohibited political activity" means:

22 (1) Preparing for, organizing, or participating in any
23 political meeting, political rally, political
24 demonstration, or other political event.

25 (2) Soliciting contributions, including but not
26 limited to the purchase of, selling, distributing, or

1 receiving payment for tickets for any political
2 fundraiser, political meeting, or other political event.

3 (3) Soliciting, planning the solicitation of, or
4 preparing any document or report regarding any thing of
5 value intended as a campaign contribution.

6 (4) Planning, conducting, or participating in a public
7 opinion poll in connection with a campaign for elective
8 office or on behalf of a political organization for
9 political purposes or for or against any referendum
10 question.

11 (5) Surveying or gathering information from potential
12 or actual voters in an election to determine probable vote
13 outcome in connection with a campaign for elective office
14 or on behalf of a political organization for political
15 purposes or for or against any referendum question.

16 (6) Assisting at the polls on election day on behalf of
17 any political organization or candidate for elective
18 office or for or against any referendum question.

19 (7) Soliciting votes on behalf of a candidate for
20 elective office or a political organization or for or
21 against any referendum question or helping in an effort to
22 get voters to the polls.

23 (8) Initiating for circulation, preparing,
24 circulating, reviewing, or filing any petition on behalf of
25 a candidate for elective office or for or against any
26 referendum question.

1 (9) Making contributions on behalf of any candidate for
2 elective office in that capacity or in connection with a
3 campaign for elective office.

4 (10) Preparing or reviewing responses to candidate
5 questionnaires in connection with a campaign for elective
6 office or on behalf of a political organization for
7 political purposes.

8 (11) Distributing, preparing for distribution, or
9 mailing campaign literature, campaign signs, or other
10 campaign material on behalf of any candidate for elective
11 office or for or against any referendum question.

12 (12) Campaigning for any elective office or for or
13 against any referendum question.

14 (13) Managing or working on a campaign for elective
15 office or for or against any referendum question.

16 (14) Serving as a delegate, alternate, or proxy to a
17 political party convention.

18 (15) Participating in any recount or challenge to the
19 outcome of any election, except to the extent that under
20 subsection (d) of Section 6 of Article IV of the Illinois
21 Constitution each house of the General Assembly shall judge
22 the elections, returns, and qualifications of its members.

23 "Prohibited source" means any person or entity who:

24 (1) is seeking official action (i) by the member or
25 officer or (ii) in the case of an employee, by the employee
26 or by the member, officer, State agency, or other employee

1 directing the employee;

2 (2) does business or seeks to do business (i) with the
3 member or officer or (ii) in the case of an employee, with
4 the employee or with the member, officer, State agency, or
5 other employee directing the employee;

6 (3) conducts activities regulated (i) by the member or
7 officer or (ii) in the case of an employee, by the employee
8 or by the member, officer, State agency, or other employee
9 directing the employee;

10 (4) has interests that may be substantially affected by
11 the performance or non-performance of the official duties
12 of the member, officer, or employee; or

13 (5) is registered or required to be registered with the
14 Secretary of State under the Lobbyist Registration Act,
15 except that an entity not otherwise a prohibited source
16 does not become a prohibited source merely because a
17 registered lobbyist is one of its members or serves on its
18 board of directors.

19 "State agency" includes all officers, boards, commissions
20 and agencies created by the Constitution, whether in the
21 executive or legislative branch; all officers, departments,
22 boards, commissions, agencies, institutions, authorities,
23 public institutions of higher learning as defined in Section 2
24 of the Higher Education Cooperation Act, and bodies politic and
25 corporate of the State; and administrative units or corporate
26 outgrowths of the State government which are created by or

1 pursuant to statute, other than units of local government and
2 their officers, school districts, and boards of election
3 commissioners; and all administrative units and corporate
4 outgrowths of the above and as may be created by executive
5 order of the Governor. "State agency" includes the General
6 Assembly, the Senate, the House of Representatives, the
7 President and Minority Leader of the Senate, the Speaker and
8 Minority Leader of the House of Representatives, the Senate
9 Operations Commission, and the legislative support services
10 agencies. "State agency" includes the Office of the Auditor
11 General. "State agency" does not include the judicial branch.

12 "State employee" means any employee of a State agency.

13 "Ultimate jurisdictional authority" means the following:

14 (1) For members, legislative partisan staff, and
15 legislative secretaries, the appropriate legislative
16 leader: President of the Senate, Minority Leader of the
17 Senate, Speaker of the House of Representatives, or
18 Minority Leader of the House of Representatives.

19 (2) For State employees who are professional staff or
20 employees of the Senate and not covered under item (1), the
21 Senate Operations Commission.

22 (3) For State employees who are professional staff or
23 employees of the House of Representatives and not covered
24 under item (1), the Speaker of the House of
25 Representatives.

26 (4) For State employees who are employees of the

1 legislative support services agencies, the Joint Committee
2 on Legislative Support Services.

3 (5) For State employees of the Auditor General, the
4 Auditor General.

5 (6) For State employees of public institutions of
6 higher learning as defined in Section 2 of the Higher
7 Education Cooperation Act, the board of trustees of the
8 appropriate public institution of higher learning.

9 (7) For State employees of an executive branch
10 constitutional officer other than those described in
11 paragraph (6), the appropriate executive branch
12 constitutional officer.

13 (8) For State employees not under the jurisdiction of
14 paragraph (1), (2), (3), (4), (5), (6), ~~or~~ (7), or (9), the
15 Governor.

16 (9) For the Legislative Inspector General, State
17 employees of the Office of the Legislative Inspector
18 General, commissioners of the Legislative Ethics
19 Commission, and State employees of the Legislative Ethics
20 Commission, the Legislative Ethics Commission.

21 (Source: P.A. 93-615, eff. 11-19-03; 93-617, eff. 12-9-03;
22 93-685, eff. 7-8-04.)

23 (5 ILCS 430/5-10)

24 Sec. 5-10. Ethics training.

25 (a) Each officer, member, and employee must complete, at

1 least annually beginning in 2004, an ethics training program
2 conducted by the appropriate State agency. Each ultimate
3 jurisdictional authority must implement an ethics training
4 program for its officers, members, and employees.

5 (b) Each ultimate jurisdictional authority subject to the
6 Executive Ethics Commission shall submit to the Executive
7 Ethics Commission, at least annually, or more frequently as
8 required by that Commission, an annual report that (1)
9 summarizes ethics training that was completed during the
10 previous year, and (2) lays out the plan for the ethics
11 training programs in the coming year.

12 (c) These ethics training programs shall be overseen by the
13 appropriate Ethics Commission and Inspector General appointed
14 pursuant to this Act in consultation with the Office of the
15 Attorney General.

16 (d) Each Inspector General, or the Executive Ethics
17 Commission with respect to the ethics training of persons
18 subject to the Executive Ethics Commission, shall set standards
19 and determine the hours and frequency of training necessary for
20 each position or category of positions. A person who fills a
21 vacancy in an elective or appointed position that requires
22 training and a person employed in a position that requires
23 training must complete his or her initial ethics training
24 within 6 months after commencement of his or her office or
25 employment.

26 (Source: P.A. 93-615, eff. 11-19-03; 93-617, eff. 12-9-03.)

1 (5 ILCS 430/5-20)

2 Sec. 5-20. Public service announcements; other promotional
3 material.

4 (a) ~~No Beginning January 1, 2004, no~~ public service
5 announcement or advertisement that identifies any specific
6 program administered by a State agency is on behalf of any
7 ~~State administered program~~ and contains the proper name, image,
8 or voice of any executive branch constitutional officer or
9 member of the General Assembly shall be broadcast or aired on
10 radio or television or printed in a commercial newspaper or a
11 commercial magazine at any time.

12 (b) The proper name or image of any executive branch
13 constitutional officer or member of the General Assembly may
14 not appear on any (i) bumper stickers, (ii) commercial
15 billboards, (iii) lapel pins or buttons, (iv) magnets, (v)
16 stickers, and (vi) other similar promotional items, that are
17 not in furtherance of the person's official State duties or
18 governmental and public service functions, if designed, paid
19 for, prepared, or distributed using public dollars. This
20 subsection does not apply to stocks of items existing on the
21 effective date of this amendatory Act of the 93rd General
22 Assembly.

23 (c) This Section does not apply to communications funded
24 through expenditures required to be reported under Article 9 of
25 the Election Code.

1 (Source: P.A. 93-615, eff. 11-19-03; 93-617, eff. 12-9-03;
2 93-685, eff. 7-8-04.)

3 (5 ILCS 430/5-45)

4 Sec. 5-45. Procurement; revolving door prohibition.

5 (a) No current or former officer, member, or State
6 employee, or spouse or immediate family member living with such
7 person, shall, during the period of State employment or within
8 a period of one year immediately after termination of State
9 employment, knowingly accept employment or receive
10 compensation or fees for services from a person or entity if
11 the officer, member, or State employee, during the immediately
12 preceding 2 years of State employment with respect to a current
13 officer, member, or State employee, or during the year
14 immediately preceding termination of State employment with
15 respect to a former officer, member, or State employee,
16 participated personally and substantially in the decision to
17 award State contracts with a cumulative value of over \$25,000
18 to the person or entity, or its parent or subsidiary.

19 (b) No current or former officer of the executive branch or
20 State employee of the executive branch with regulatory or
21 licensing authority, or spouse or immediate family member
22 living with such person, shall, during the period of State
23 employment or within a period of one year immediately after
24 termination of State employment, knowingly accept employment
25 or receive compensation of fees for services from a person or

1 entity if the officer or State employee, during the immediately
2 preceding 2 years of State employment with respect to a current
3 officer, member, or State employee, or during the year
4 immediately preceding termination of State employment with
5 respect to a former officer, member, or State employee, made a
6 regulatory or licensing decision that directly applied to the
7 person or entity, or its parent or subsidiary.

8 (c) The requirements of this Section may be waived (i) for
9 the executive branch, in writing by the Executive Ethics
10 Commission, (ii) for the legislative branch, in writing by the
11 Legislative Ethics Commission, and (iii) for the Auditor
12 General, in writing by the Auditor General. During the time
13 period from the effective date of this amendatory Act of the
14 93rd General Assembly until the Executive Ethics Commission
15 first meets, the requirements of this Section may be waived in
16 writing by the appropriate ultimate jurisdictional authority.
17 During the time period from the effective date of this
18 amendatory Act of the 93rd General Assembly until the
19 Legislative Ethics Commission first meets, the requirements of
20 this Section may be waived in writing by the appropriate
21 ultimate jurisdictional authority. The waiver shall be granted
22 upon the person seeking the waiver proving by clear and
23 convincing evidence ~~a showing~~ that the prospective employment
24 or relationship did not affect the decisions referred to in
25 sections (a) and (b).

26 (d) With respect to former officers, members, State

1 employees, spouses, and family members, this ~~This~~ Section
2 applies only with respect to persons who terminate an affected
3 position on or after December 19, 2003 (the effective date of
4 Public ~~this~~ ~~amendatory~~ Act 93-617) ~~of the 93rd General~~
5 ~~Assembly.~~

6 (Source: P.A. 93-615, eff. 11-19-03; 93-617, eff. 12-9-03.)

7 (5 ILCS 430/20-5)

8 Sec. 20-5. Executive Ethics Commission.

9 (a) The Executive Ethics Commission is created.

10 (b) The Executive Ethics Commission shall consist of 9
11 commissioners. The Governor shall appoint 5 commissioners, and
12 the Attorney General, Secretary of State, Comptroller, and
13 Treasurer shall each appoint one commissioner. Appointments
14 shall be made by and with the advice and consent of the Senate
15 by three-fifths of the elected members concurring by record
16 vote. Any nomination not acted upon by the Senate within 60
17 session days of the receipt thereof shall be deemed to have
18 received the advice and consent of the Senate. If, during a
19 recess of the Senate, there is a vacancy in an office of
20 commissioner, the appointing authority shall make a temporary
21 appointment until the next meeting of the Senate when the
22 appointing authority shall make a nomination to fill that
23 office. No person rejected for an office of commissioner shall,
24 except by the Senate's request, be nominated again for that
25 office at the same session of the Senate or be appointed to

1 that office during a recess of that Senate. No more than 5
2 commissioners may be of the same political party.

3 The terms of the initial commissioners shall commence upon
4 qualification. Four initial appointees of the Governor, as
5 designated by the Governor, shall serve terms running through
6 June 30, 2007. One initial appointee of the Governor, as
7 designated by the Governor, and the initial appointees of the
8 Attorney General, Secretary of State, Comptroller, and
9 Treasurer shall serve terms running through June 30, 2008. The
10 initial appointments shall be made within 60 days after the
11 effective date of this Act.

12 After the initial terms, commissioners shall serve for
13 4-year terms commencing on July 1 of the year of appointment
14 and running through June 30 of the fourth following year.
15 Commissioners may be reappointed to one or more subsequent
16 terms.

17 Vacancies occurring other than at the end of a term shall
18 be filled by the appointing authority only for the balance of
19 the term of the commissioner whose office is vacant.

20 Terms shall run regardless of whether the position is
21 filled.

22 (c) The appointing authorities shall appoint commissioners
23 who have experience holding governmental office or employment
24 and shall appoint commissioners from the general public. A
25 person is not eligible to serve as a commissioner if that
26 person (i) has been convicted of a felony or a crime of

1 dishonesty or moral turpitude, (ii) is, or was within the
2 preceding 12 months, engaged in activities that require
3 registration under the Lobbyist Registration Act, (iii) is
4 related to the appointing authority, or (iv) is a State officer
5 or employee.

6 (d) The Executive Ethics Commission shall have
7 jurisdiction over all officers and employees of State agencies
8 other than the General Assembly, the Senate, the House of
9 Representatives, the President and Minority Leader of the
10 Senate, the Speaker and Minority Leader of the House of
11 Representatives, the Senate Operations Commission, the
12 legislative support services agencies, the Legislative Ethics
13 Commission, the Office of the Legislative Inspector General,
14 and the Office of the Auditor General. The jurisdiction of the
15 Commission is limited to matters arising under this Act.

16 (e) The Executive Ethics Commission must meet, either in
17 person or by other technological means, at least monthly and as
18 often as necessary. At the first meeting of the Executive
19 Ethics Commission, the commissioners shall choose from their
20 number a chairperson and other officers that they deem
21 appropriate. The terms of officers shall be for 2 years
22 commencing July 1 and running through June 30 of the second
23 following year. Meetings shall be held at the call of the
24 chairperson or any 3 commissioners. Official action by the
25 Commission shall require the affirmative vote of 5
26 commissioners, and a quorum shall consist of 5 commissioners.

1 Commissioners shall receive compensation in an amount equal to
2 the compensation of members of the State Board of Elections and
3 may be reimbursed for their reasonable expenses actually
4 incurred in the performance of their duties.

5 (f) No commissioner or employee of the Executive Ethics
6 Commission may during his or her term of appointment or
7 employment:

8 (1) become a candidate for any elective office;

9 (2) hold any other elected or appointed public office
10 except for appointments on governmental advisory boards or
11 study commissions or as otherwise expressly authorized by
12 law;

13 (3) be actively involved in the affairs of any
14 political party or political organization; or

15 (4) actively participate in any campaign for any
16 elective office.

17 (g) An appointing authority may remove a commissioner only
18 for cause.

19 (h) The Executive Ethics Commission shall appoint an
20 Executive Director. The compensation of the Executive Director
21 shall be as determined by the Commission or by the Compensation
22 Review Board, whichever amount is higher. The Executive
23 Director of the Executive Ethics Commission may employ and
24 determine the compensation of staff, as appropriations permit.

25 (Source: P.A. 93-617, eff. 12-9-03.)

1 (5 ILCS 430/20-23)

2 Sec. 20-23. Ethics Officers. Each officer and the head of
3 each State agency under the jurisdiction of the Executive
4 Ethics Commission, including without limitation the Executive
5 Ethics Commission and each Executive Inspector General, shall
6 designate an Ethics Officer for the office or State agency.
7 Ethics Officers shall:

8 (1) act as liaisons between the State agency and the
9 appropriate Executive Inspector General and between the
10 State agency and the Executive Ethics Commission;

11 (2) review statements of economic interest and
12 disclosure forms of officers, senior employees, and
13 contract monitors before they are filed with the Secretary
14 of State; and

15 (3) provide guidance to officers and employees in the
16 interpretation and implementation of this Act, which the
17 officer or employee may in good faith rely upon. Such
18 guidance shall be based, wherever possible, upon legal
19 precedent in court decisions, opinions of the Attorney
20 General, and the findings and opinions of the Executive
21 Ethics Commission.

22 (Source: P.A. 93-617, eff. 12-9-03.)

23 (5 ILCS 430/20-40)

24 Sec. 20-40. Collective bargaining agreements. Any
25 investigation or inquiry by an Executive Inspector General or

1 any agent or representative of an Executive Inspector General
2 must be conducted with awareness of the provisions of a
3 collective bargaining agreement that applies to the employees
4 of the relevant State agency and with an awareness of the
5 rights of the employees as set forth by State and federal law
6 and applicable judicial decisions. In implementing any ~~Any~~
7 recommendation for discipline or in taking any action ~~taken~~
8 against any State employee pursuant to this Act, the ultimate
9 jurisdictional authority must comply with the provisions of the
10 collective bargaining agreement that applies to the State
11 employee.

12 (Source: P.A. 93-617, eff. 12-9-03.)

13 (5 ILCS 430/20-50)

14 Sec. 20-50. Investigation reports; complaint procedure.

15 (a) With respect to complaints received by an Executive
16 Inspector General prior to July 1, 2010, within 10 days after
17 an Executive Inspector General begins an investigation, the
18 Executive Inspector General shall provide the Executive Ethics
19 Commission with (1) a summary of allegations and alleged
20 violations, the reason for opening the investigation, and the
21 unique tracking number assigned to the investigation and (2)
22 any additional information requested by the Executive Ethics
23 Commission. At any time, if ~~if~~ an Executive Inspector General,
24 upon the conclusion of an investigation, determines that
25 reasonable cause exists to believe that a violation has

1 occurred, then the Executive Inspector General shall issue a
2 summary report of the investigation. The report shall be
3 delivered to the appropriate ultimate jurisdictional authority
4 and to the head of each State agency affected by or involved in
5 the investigation, if appropriate.

6 (a-5) With respect to complaints received by an Executive
7 Inspector General prior to July 1, 2010, not more than 60 days
8 after delivering a summary report to the appropriate ultimate
9 jurisdictional authority and to the head of each State agency,
10 the Executive Inspector General shall deliver the summary
11 report to the Executive Ethics Commission. The Executive
12 Inspector General shall also provide the Executive Ethics
13 Commission with a report detailing the discipline related to
14 the summary report, if any, that the ultimate jurisdictional
15 authority or head of the State agency has imposed or intends to
16 impose. The Executive Inspector General shall provide any
17 additional information requested by the Executive Ethics
18 Commission. In the event the Executive Inspector General seeks
19 to file a petition for leave to file a complaint with the
20 Executive Ethics Commission pursuant to subsection (c), the
21 Executive Inspector General shall not deliver the summary
22 report to the Executive Ethics Commission and instead shall
23 notify the Commission and the Attorney General. If the Attorney
24 General does not file a petition for leave to file a complaint
25 with the Executive Ethics Commission within the time permitted
26 by statute, the Executive Inspector General must deliver a

1 summary report to the Executive Ethics Commission within 30
2 days.

3 Any report delivered to the Executive Ethics Commission
4 under this subsection shall not contain the name, office, or
5 position title of any individual person.

6 (b) The summary report of the investigation shall include
7 the following:

8 (1) A description of any allegations or other
9 information received by the Executive Inspector General
10 pertinent to the investigation.

11 (2) A description of any alleged misconduct discovered
12 in the course of the investigation.

13 (2.5) With respect to complaints received by an
14 Executive Inspector General prior to July 1, 2010, a
15 specific recommendation for any corrective or disciplinary
16 action to be taken in response to any alleged misconduct
17 described in the report, including but not limited to
18 suspension or discharge.

19 (3) With respect to complaints received by an Executive
20 Inspector General on or after July 1, 2010, recommendations
21 ~~Recommendations~~ for any corrective or disciplinary action
22 to be taken in response to any alleged misconduct described
23 in the report, including but not limited to discharge.

24 (4) Other information the Executive Inspector General
25 deems relevant to the investigation or resulting
26 recommendations.

1 (c) Not less than 30 days after delivery, under subsection
2 (a), of the summary report of an investigation to the
3 appropriate ultimate jurisdictional authority and to the head
4 of each State agency affected by or involved in the
5 investigation ~~under subsection (a)~~, if the Executive Inspector
6 General desires to file a petition for leave to file a
7 complaint, the Executive Inspector General shall notify the
8 Commission and the Attorney General. If the Attorney General
9 determines that reasonable cause exists to believe that a
10 violation has occurred, then the Executive Inspector General,
11 represented by the Attorney General, may file with the
12 Executive Ethics Commission a petition for leave to file a
13 complaint. The petition shall set forth the alleged violation
14 and the grounds that exist to support the petition. The
15 petition for leave to file a complaint must be filed with the
16 Commission within 18 months after the most recent act of the
17 alleged violation or of a series of alleged violations except
18 where there is reasonable cause to believe that fraudulent
19 concealment has occurred. To constitute fraudulent concealment
20 sufficient to toll this limitations period, there must be an
21 affirmative act or representation calculated to prevent
22 discovery of the fact that a violation has occurred. If a
23 petition for leave to file a complaint is not filed with the
24 Commission within 6 months after notice by the Inspector
25 General to the Commission and the Attorney General, then the
26 Commission may set a meeting of the Commission at which the

1 Attorney General shall appear and provide a status report to
2 the Commission.

3 (d) A copy of the petition must be served on all
4 respondents named in the complaint and on each respondent's
5 ultimate jurisdictional authority in the same manner as process
6 is served under the Code of Civil Procedure.

7 (e) A respondent may file objections to the petition for
8 leave to file a complaint within 30 days after notice of the
9 petition has been served on the respondent.

10 (f) The Commission shall meet, either in person or by
11 telephone, in a closed session to review the sufficiency of the
12 complaint. If the Commission finds that complaint is
13 sufficient, the Commission shall grant the petition for leave
14 to file the complaint. The Commission shall issue notice to the
15 Executive Inspector General and all respondents of the
16 Commission's ruling on the sufficiency of the complaint. If the
17 complaint is deemed to sufficiently allege a violation of this
18 Act, then the Commission shall notify the parties and shall
19 include a hearing date scheduled within 4 weeks after the date
20 of the notice, unless all of the parties consent to a later
21 date. If the complaint is deemed not to sufficiently allege a
22 violation, then the Commission shall send by certified mail,
23 return receipt requested, a notice to the parties of the
24 decision to dismiss the complaint.

25 (g) On the scheduled date the Commission shall conduct a
26 closed meeting, either in person or, if the parties consent, by

1 telephone, on the complaint and allow all parties the
2 opportunity to present testimony and evidence. All such
3 proceedings shall be transcribed.

4 (h) Within an appropriate time limit set by rules of the
5 Executive Ethics Commission, the Commission shall (i) dismiss
6 the complaint or (ii) issue a recommendation of discipline to
7 the respondent and the respondent's ultimate jurisdictional
8 authority or impose an administrative fine upon the respondent,
9 or both.

10 (i) The proceedings on any complaint filed with the
11 Commission shall be conducted pursuant to rules promulgated by
12 the Commission.

13 (j) The Commission may designate hearing officers to
14 conduct proceedings as determined by rule of the Commission.

15 (k) In all proceedings before the Commission, the standard
16 of proof is by a preponderance of the evidence.

17 (l) When the Inspector General concludes that there is
18 insufficient evidence that a violation has occurred, the
19 Inspector General shall close the investigation. At the request
20 of the subject of the investigation, the Inspector General
21 shall provide a written statement to the subject of the
22 investigation and to the Commission of the Inspector General's
23 decision to close the investigation. Closure by the Inspector
24 General does not bar the Inspector General from resuming the
25 investigation if circumstances warrant.

26 (Source: P.A. 93-617, eff. 12-9-03.)

1 (5 ILCS 430/20-90)

2 Sec. 20-90. Confidentiality.

3 (a) The identity of any individual providing information or
4 reporting any possible or alleged misconduct to an Executive
5 Inspector General or the Executive Ethics Commission shall be
6 kept confidential and may not be disclosed without the consent
7 of that individual, unless the individual consents to
8 disclosure of his or her name or disclosure of the individual's
9 identity is otherwise required by law. The confidentiality
10 granted by this subsection does not preclude the disclosure of
11 the identity of a person in any capacity other than as the
12 source of an allegation.

13 (a-5) Each summary provided to the Executive Ethics
14 Commission by an Executive Inspector General within 10 days
15 after beginning an investigation, as required by subsection (a)
16 of Section 20-50, and each report provided to the Executive
17 Ethics Commission by an Executive Inspector General under
18 subsection (a-5) of Section 20-50 shall be kept confidential
19 and may not be disclosed.

20 (b) Subject to the provisions of Section 20-50(c),
21 commissioners, employees, and agents of the Executive Ethics
22 Commission, the Executive Inspectors General, and employees
23 and agents of each Office of an Executive Inspector General
24 shall keep confidential and shall not disclose information
25 exempted from disclosure under the Freedom of Information Act

1 or by this Act.

2 (Source: P.A. 93-617, eff. 12-9-03.)

3 (5 ILCS 430/20-95)

4 Sec. 20-95. Exemptions.

5 (a) Documents generated by an ethics officer under this
6 Act, except Section 5-50, are exempt from the provisions of the
7 Freedom of Information Act.

8 (a-5) Summaries provided to the Executive Ethics
9 Commission by an Executive Inspector General within 10 days
10 after beginning an investigation, as required by subsection (a)
11 of Section 20-50, and reports provided to the Executive Ethics
12 Commission by an Executive Inspector General under subsection
13 (a-5) of Section 20-50 are exempt from the provisions of the
14 Freedom of Information Act.

15 (b) Any allegations and related documents submitted to an
16 Executive Inspector General and any pleadings and related
17 documents brought before the Executive Ethics Commission are
18 exempt from the provisions of the Freedom of Information Act so
19 long as the Executive Ethics Commission does not make a finding
20 of a violation of this Act. If the Executive Ethics Commission
21 finds that a violation has occurred, the entire record of
22 proceedings before the Commission, the decision and
23 recommendation, and the mandatory report from the agency head
24 or ultimate jurisdictional authority to the Executive Ethics
25 Commission are not exempt from the provisions of the Freedom of

1 Information Act but information contained therein that is
2 otherwise exempt from the Freedom of Information Act must be
3 redacted before disclosure as provided in Section 8 of the
4 Freedom of Information Act.

5 (c) Meetings of the Commission under Sections 20-5 and
6 20-15 of this Act are exempt from the provisions of the Open
7 Meetings Act.

8 (d) Unless otherwise provided in this Act, all
9 investigatory files and reports of the Office of an Executive
10 Inspector General, other than quarterly reports, are
11 confidential, are exempt from disclosure under the Freedom of
12 Information Act, and shall not be divulged to any person or
13 agency, except as necessary (i) to the appropriate law
14 enforcement authority if the matter is referred pursuant to
15 this Act, (ii) to the ultimate jurisdictional authority, (iii)
16 to the Executive Ethics Commission; or (iv) to another
17 Inspector General appointed pursuant to this Act.

18 (Source: P.A. 93-617, eff. 12-9-03.)

19 (5 ILCS 430/25-5)

20 Sec. 25-5. Legislative Ethics Commission.

21 (a) The Legislative Ethics Commission is created.

22 (b) The Legislative Ethics Commission shall consist of 8
23 commissioners appointed 2 each by the President and Minority
24 Leader of the Senate and the Speaker and Minority Leader of the
25 House of Representatives.

1 The terms of the initial commissioners shall commence upon
2 qualification. Each appointing authority shall designate one
3 appointee who shall serve for a 2-year term running through
4 June 30, 2005. Each appointing authority shall designate one
5 appointee who shall serve for a 4-year term running through
6 June 30, 2007. The initial appointments shall be made within 60
7 days after the effective date of this Act.

8 After the initial terms, commissioners shall serve for
9 4-year terms commencing on July 1 of the year of appointment
10 and running through June 30 of the fourth following year.
11 Commissioners may be reappointed to one or more subsequent
12 terms.

13 Vacancies occurring other than at the end of a term shall
14 be filled by the appointing authority only for the balance of
15 the term of the commissioner whose office is vacant.

16 Terms shall run regardless of whether the position is
17 filled.

18 (c) The appointing authorities shall appoint commissioners
19 who have experience holding governmental office or employment
20 and may appoint commissioners who are members of the General
21 Assembly as well as commissioners from the general public. A
22 commissioner who is a member of the General Assembly must
23 recuse himself or herself from participating in any matter
24 relating to any investigation or proceeding in which he or she
25 is the subject. A person is not eligible to serve as a
26 commissioner if that person (i) has been convicted of a felony

1 or a crime of dishonesty or moral turpitude, (ii) is, or was
2 within the preceding 12 months, engaged in activities that
3 require registration under the Lobbyist Registration Act,
4 (iii) is a relative of the appointing authority, or (iv) is a
5 State officer or employee other than a member of the General
6 Assembly.

7 (d) The Legislative Ethics Commission shall have
8 jurisdiction over members of the General Assembly and all State
9 employees whose ultimate jurisdictional authority is (i) a
10 legislative leader, (ii) the Senate Operations Commission, ~~or~~
11 (iii) the Joint Committee on Legislative Support Services, or
12 (iv) the Legislative Ethics Commission. The jurisdiction of the
13 Commission is limited to matters arising under this Act.

14 (e) The Legislative Ethics Commission must meet, either in
15 person or by other technological means, monthly or as often as
16 necessary. At the first meeting of the Legislative Ethics
17 Commission, the commissioners shall choose from their number a
18 chairperson and other officers that they deem appropriate. The
19 terms of officers shall be for 2 years commencing July 1 and
20 running through June 30 of the second following year. Meetings
21 shall be held at the call of the chairperson or any 3
22 commissioners. Official action by the Commission shall require
23 the affirmative vote of 5 commissioners, and a quorum shall
24 consist of 5 commissioners. Commissioners shall receive no
25 compensation but may be reimbursed for their reasonable
26 expenses actually incurred in the performance of their duties.

1 (f) No commissioner, other than a commissioner who is a
2 member of the General Assembly, or employee of the Legislative
3 Ethics Commission may during his or her term of appointment or
4 employment:

5 (1) become a candidate for any elective office;

6 (2) hold any other elected or appointed public office
7 except for appointments on governmental advisory boards or
8 study commissions or as otherwise expressly authorized by
9 law;

10 (3) be actively involved in the affairs of any
11 political party or political organization; or

12 (4) actively participate in any campaign for any
13 elective office.

14 (g) An appointing authority may remove a commissioner only
15 for cause.

16 (h) The Legislative Ethics Commission shall appoint an
17 Executive Director subject to the approval of at least 3 of the
18 4 legislative leaders. The compensation of the Executive
19 Director shall be as determined by the Commission or by the
20 Compensation Review Board, whichever amount is higher. The
21 Executive Director of the Legislative Ethics Commission may
22 employ, subject to the approval of at least 3 of the 4
23 legislative leaders, and determine the compensation of staff,
24 as appropriations permit.

25 (Source: P.A. 93-617, eff. 12-9-03; 93-685, eff. 7-8-04.)

1 (5 ILCS 430/25-10)

2 Sec. 25-10. Office of Legislative Inspector General.

3 (a) The independent Office of the Legislative Inspector
4 General is created. The Office shall be under the direction and
5 supervision of the Legislative Inspector General and shall be a
6 fully independent office with its own appropriation.

7 (b) The Legislative Inspector General shall be appointed
8 without regard to political affiliation and solely on the basis
9 of integrity and demonstrated ability. The Legislative Ethics
10 Commission shall diligently search out qualified candidates
11 for Legislative Inspector General and shall make
12 recommendations to the General Assembly.

13 The Legislative Inspector General shall be appointed by a
14 joint resolution of the Senate and the House of
15 Representatives, which may specify the date on which the
16 appointment takes effect. A joint resolution, or other document
17 as may be specified by the Joint Rules of the General Assembly,
18 appointing the Legislative Inspector General must be certified
19 by the Speaker of the House of Representatives and the
20 President of the Senate as having been adopted by the
21 affirmative vote of three-fifths of the members elected to each
22 house, respectively, and be filed with the Secretary of State.
23 The appointment of the Legislative Inspector General takes
24 effect on the day the appointment is completed by the General
25 Assembly, unless the appointment specifies a later date on
26 which it is to become effective.

1 The Legislative Inspector General shall have the following
2 qualifications:

3 (1) has not been convicted of any felony under the laws
4 of this State, another state, or the United States;

5 (2) has earned a baccalaureate degree from an
6 institution of higher education; and

7 (3) has 5 or more years of cumulative service (A) with
8 a federal, State, or local law enforcement agency, at least
9 2 years of which have been in a progressive investigatory
10 capacity; (B) as a federal, State, or local prosecutor; (C)
11 as a senior manager or executive of a federal, State, or
12 local agency; (D) as a member, an officer, or a State or
13 federal judge; or (E) representing any combination of (A)
14 through (D).

15 The Legislative Inspector General may not be a relative of
16 a commissioner.

17 The term of the initial Legislative Inspector General shall
18 commence upon qualification and shall run through June 30,
19 2008.

20 After the initial term, the Legislative Inspector General
21 shall serve for 5-year terms commencing on July 1 of the year
22 of appointment and running through June 30 of the fifth
23 following year. The Legislative Inspector General may be
24 reappointed to one or more subsequent terms.

25 A vacancy occurring other than at the end of a term shall
26 be filled in the same manner as an appointment only for the

1 balance of the term of the Legislative Inspector General whose
2 office is vacant.

3 Terms shall run regardless of whether the position is
4 filled.

5 (c) The Legislative Inspector General shall have
6 jurisdiction over the members of the General Assembly and all
7 State employees whose ultimate jurisdictional authority is (i)
8 a legislative leader, (ii) the Senate Operations Commission, ~~or~~
9 (iii) the Joint Committee on Legislative Support Services, or
10 (iv) the Legislative Ethics Commission.

11 The jurisdiction of each Legislative Inspector General is
12 to investigate allegations of fraud, waste, abuse,
13 mismanagement, misconduct, nonfeasance, misfeasance,
14 malfeasance, or violations of this Act or violations of other
15 related laws and rules.

16 (d) The compensation of the Legislative Inspector General
17 shall be the greater of an amount (i) determined by the
18 Commission or (ii) by joint resolution of the General Assembly
19 passed by a majority of members elected in each chamber.
20 Subject to Section 25-45 of this Act, the Legislative Inspector
21 General has full authority to organize the Office of the
22 Legislative Inspector General, including the employment and
23 determination of the compensation of staff, such as deputies,
24 assistants, and other employees, as appropriations permit.
25 Employment of staff is subject to the approval of at least 3 of
26 the 4 legislative leaders.

1 (e) No Legislative Inspector General or employee of the
2 Office of the Legislative Inspector General may, during his or
3 her term of appointment or employment:

4 (1) become a candidate for any elective office;

5 (2) hold any other elected or appointed public office
6 except for appointments on governmental advisory boards or
7 study commissions or as otherwise expressly authorized by
8 law;

9 (3) be actively involved in the affairs of any
10 political party or political organization; or

11 (4) actively participate in any campaign for any
12 elective office.

13 In this subsection an appointed public office means a
14 position authorized by law that is filled by an appointing
15 authority as provided by law and does not include employment by
16 hiring in the ordinary course of business.

17 (e-1) No Legislative Inspector General or employee of the
18 Office of the Legislative Inspector General may, for one year
19 after the termination of his or her appointment or employment:

20 (1) become a candidate for any elective office;

21 (2) hold any elected public office; or

22 (3) hold any appointed State, county, or local judicial
23 office.

24 (e-2) The requirements of item (3) of subsection (e-1) may
25 be waived by the Legislative Ethics Commission.

26 (f) The Commission may remove the Legislative Inspector

1 General only for cause. At the time of the removal, the
2 Commission must report to the General Assembly the
3 justification for the removal.

4 (Source: P.A. 93-617, eff. 12-9-03; 93-685, eff. 7-8-04.)

5 (5 ILCS 430/25-23)

6 Sec. 25-23. Ethics Officers. The President and Minority
7 Leader of the Senate and the Speaker and Minority Leader of the
8 House of Representatives shall each appoint an ethics officer
9 for the members and employees of his or her legislative caucus.
10 The commissioners of the Legislative Ethics Commission shall
11 designate an ethics officer for the Legislative Ethics
12 Commission. The Legislative Inspector General shall designate
13 an ethics officer for the Office of the Legislative Inspector
14 General. No later than January 1, 2004, the head of each other
15 State agency under the jurisdiction of the Legislative Ethics
16 Commission, other than the General Assembly, shall designate an
17 ethics officer for the State agency. Ethics Officers shall:

18 (1) act as liaisons between the State agency and the
19 Legislative Inspector General and between the State agency
20 and the Legislative Ethics Commission;

21 (2) review statements of economic interest and
22 disclosure forms of officers, senior employees, and
23 contract monitors before they are filed with the Secretary
24 of State; and

25 (3) provide guidance to officers and employees in the

1 interpretation and implementation of this Act, which the
2 officer or employee may in good faith rely upon. Such
3 guidance shall be based, wherever possible, upon legal
4 precedent in court decisions, opinions of the Attorney
5 General, and the findings and opinions of the Legislative
6 Ethics Commission.

7 (Source: P.A. 93-617, eff. 12-9-03.)

8 (5 ILCS 430/50-5)

9 Sec. 50-5. Penalties.

10 (a) A person is guilty of a Class A misdemeanor if that
11 person intentionally violates (i) subsection (a-5) of Section
12 20-90 or (ii) any provision of Section 5-15, 5-30, 5-40, or
13 5-45 or Article 15.

14 (b) A person who intentionally violates any provision of
15 Section 5-20, 5-35, 5-50, or 5-55 is guilty of a business
16 offense subject to a fine of at least \$1,001 and up to \$5,000.

17 (c) A person who intentionally violates any provision of
18 Article 10 is guilty of a business offense and subject to a
19 fine of at least \$1,001 and up to \$5,000.

20 (d) Any person who intentionally makes a false report
21 alleging a violation of any provision of this Act to an ethics
22 commission, an inspector general, the State Police, a State's
23 Attorney, the Attorney General, or any other law enforcement
24 official is guilty of a Class A misdemeanor.

25 (e) An ethics commission may levy an administrative fine of

1 up to \$5,000 against any person who violates this Act, who
2 intentionally obstructs or interferes with an investigation
3 conducted under this Act by an inspector general, or who
4 intentionally makes a false, frivolous, or bad faith
5 allegation.

6 (f) In addition to any other penalty that may apply,
7 whether criminal or civil, a State employee who intentionally
8 violates any provision of Section 5-15, 5-20, 5-30, 5-35, 5-40,
9 or 5-50, Article 10, Article 15, or Section 20-90 or 25-90 is
10 subject to discipline or discharge by the appropriate ultimate
11 jurisdictional authority.

12 (Source: P.A. 93-615, eff. 11-19-03; 93-617, eff. 12-9-03.)".

13 Section 10. The Compensation Review Act is amended by
14 changing Sections 4 and 5 as follows:

15 (25 ILCS 120/4) (from Ch. 63, par. 904)

16 Sec. 4. Meetings of the Board; determining compensation;
17 public hearings; reports. The Board shall meet as often as may
18 be necessary and shall determine, upon a vote requiring at
19 least 7 affirmative votes, the compensation for members of the
20 General Assembly, judges, other than the county supplement,
21 State's attorneys, other than the county supplement, the
22 elected constitutional officers of State government, and
23 certain appointed officers of State government.

24 In determining the compensation for each office, the

1 Compensation Review Board shall consider the following
2 factors:

3 (a) the skill required,

4 (b) the time required,

5 (c) the opportunity for other earned income,

6 (d) the value of public services as performed in
7 comparable states,

8 (e) the value of such services as performed in the
9 private sector in Illinois and comparable states based on
10 the responsibility and discretion required in the office,

11 (f) the average consumer prices commonly known as the
12 cost of living,

13 (g) the overall compensation presently received by the
14 public officials and all other benefits received,

15 (h) the interests and welfare of the public and the
16 financial ability of the State to meet those costs, and

17 (i) such other factors, not confined to the foregoing,
18 which are normally or traditionally taken into
19 consideration in the determination of such compensation.

20 The Board shall conduct public hearings prior to filing its
21 report.

22 At the public hearings, the Board shall allow interested
23 persons to present their views and comments. The Board may
24 prescribe reasonable rules for the conduct of public hearings,
25 to prevent undue repetition. The meetings of the Board are
26 subject to the Open Meetings Act.

1 The Board shall file an initial report with the House of
2 Representatives, the Senate, the Comptroller and the Secretary
3 of State. Subsequent reports shall be filed therewith before
4 ~~March~~ April 1 in each even-numbered year thereafter stating the
5 annual salary for members of the General Assembly, the elected
6 State constitutional officers and certain appointed State
7 officers and compensated employees and members of certain State
8 departments, agencies, boards and commissions whose terms
9 begin in the next calendar year; the annual salary for State's
10 attorneys; and the annual salary for the Auditor General and
11 for Supreme Court, Appellate Court, Circuit Court and Associate
12 judges. If the report increases the annual salary of judges,
13 State's attorneys, and the Auditor General, such increase shall
14 take effect as soon as the time period for disapproval or
15 reduction, as provided in subsection (b) of Section 5, has
16 expired.

17 The salaries in the report or as reduced by the General
18 Assembly, other than for judges, State's attorneys, and the
19 Auditor General, shall take effect as provided by law.

20 (Source: P.A. 90-375, eff. 8-14-97; 91-798, eff. 7-9-00.)

21 (25 ILCS 120/5) (from Ch. 63, par. 905)

22 Sec. 5. (a) If the Board fails to recommend a change in
23 salary or the General Assembly disapproves the report as
24 provided in subsection (b), and a new term for any officer
25 provided for in this Act begins, the salary for the new term

1 shall be the same as the salary in effect when the previous
2 term ended.

3 (b) The General Assembly may disapprove the report of the
4 Board in whole, or reduce it in whole proportionately, (i)
5 within 30 session days after each house of the legislature next
6 convenes after the report is filed or (ii) by the May 31st next
7 occurring after the report is filed, whichever is earlier, by
8 adoption of a resolution by a record vote of the majority of
9 the members elected in each house directed to the Board. Such
10 resolution shall be binding upon the Board.

11 For the initial report filed by the Board after this Act
12 takes effect, the General Assembly may, by January 9, 1985,
13 disapprove the report of the Board in whole, or reduce it in
14 whole proportionately, after the report is filed, by the
15 adoption of a resolution by a record vote of the majority of
16 the members.

17 (Source: P.A. 83-1177.)

18 Section 15. The Lobbyist Registration Act is amended by
19 changing Section 2 as follows:

20 (25 ILCS 170/2) (from Ch. 63, par. 172)

21 Sec. 2. Definitions. As used in this Act, unless the
22 context otherwise requires:

23 (a) "Person" means any individual, firm, partnership,
24 committee, association, corporation, or any other organization

1 or group of persons.

2 (b) "Expenditure" means a payment, distribution, loan,
3 advance, deposit, or gift of money or anything of value, and
4 includes a contract, promise, or agreement, whether or not
5 legally enforceable, to make an expenditure, for the ultimate
6 purpose of influencing executive, legislative, or
7 administrative action, other than compensation as defined in
8 subsection (d).

9 (c) "Official" means:

10 (1) the Governor, Lieutenant Governor, Secretary of
11 State, Attorney General, State Treasurer, and State
12 Comptroller;

13 (2) Chiefs of Staff for officials described in item
14 (1);

15 (3) Cabinet members of any elected constitutional
16 officer, including Directors, Assistant Directors and
17 Chief Legal Counsel or General Counsel;

18 (4) Members of the General Assembly.

19 (d) "Compensation" means any money, thing of value or
20 financial benefits received or to be received in return for
21 services rendered or to be rendered, for lobbying as defined in
22 subsection (e).

23 Monies paid to members of the General Assembly by the State
24 as remuneration for performance of their Constitutional and
25 statutory duties as members of the General Assembly shall not
26 constitute compensation as defined by this Act.

1 (e) "Lobbying" means any communication with (i) an official
2 of the executive or legislative branch of State government as
3 defined in subsection (c) or (ii) a State employee as defined
4 in this Section, for the ultimate purpose of influencing
5 executive, legislative, or administrative action.

6 (f) "Influencing" means any communication, action,
7 reportable expenditure as prescribed in Section 6 or other
8 means used to promote, support, affect, modify, oppose or delay
9 any executive, legislative or administrative action or to
10 promote goodwill with officials as defined in subsection (c).

11 (g) "Executive action" means the proposal, drafting,
12 development, consideration, amendment, adoption, approval,
13 promulgation, issuance, modification, rejection or
14 postponement by a State entity of a rule, regulation, order,
15 decision, determination, contractual arrangement, purchasing
16 agreement or other quasi-legislative or quasi-judicial action
17 or proceeding.

18 (h) "Legislative action" means the development, drafting,
19 introduction, consideration, modification, adoption,
20 rejection, review, enactment, or passage or defeat of any bill,
21 amendment, resolution, report, nomination, administrative rule
22 or other matter by either house of the General Assembly or a
23 committee thereof, or by a legislator. Legislative action also
24 means the action of the Governor in approving or vetoing any
25 bill or portion thereof, and the action of the Governor or any
26 agency in the development of a proposal for introduction in the

1 legislature.

2 (i) "Administrative action" means the execution or
3 rejection of any rule, regulation, legislative rule, standard,
4 fee, rate, contractual arrangement, purchasing agreement or
5 other delegated legislative or quasi-legislative action to be
6 taken or withheld by any executive agency, department, board or
7 commission of the State.

8 (j) "Lobbyist" means any person who undertakes to lobby
9 State government as provided in subsection (e).

10 (k) "State employee" is defined as that term is defined in
11 Section 1-5 of the State Officials and Employees Ethics Act.

12 (l) "Employee", with respect to a State employee, is
13 defined as that term is defined in Section 1-5 of the State
14 Officials and Employees Ethics Act.

15 (m) "State agency" is defined as that term is defined in
16 Section 1-5 of the State Officials and Employees Ethics Act.

17 (Source: P.A. 88-187.)

18 Section 25. The Illinois Procurement Code is amended by
19 changing Sections 1-15.15, 1-15.100, 15-25, 20-10, 20-30,
20 35-15, 35-20, 35-25, 35-30, 35-35, 35-40, 40-15, 40-25, 50-13,
21 50-20, and 50-30 and by adding Sections 20-43, 50-21, and 50-37
22 as follows:

23 (30 ILCS 500/1-15.15)

24 Sec. 1-15.15. Chief Procurement Officer. "Chief

1 Procurement Officer" means:

2 (1) for procurements for construction and
3 construction-related services committed by law to the
4 jurisdiction or responsibility of the Capital Development
5 Board, the executive director of the Capital Development Board.

6 (2) for procurements for all construction,
7 construction-related services, operation of any facility, and
8 the provision of any service or activity committed by law to
9 the jurisdiction or responsibility of the Illinois Department
10 of Transportation, including the direct or reimbursable
11 expenditure of all federal funds for which the Department of
12 Transportation is responsible or accountable for the use
13 thereof in accordance with federal law, regulation, or
14 procedure, the Secretary of Transportation.

15 (3) for all procurements made by a public institution of
16 higher education, (i) a representative designated by the
17 Governor for procurements made before July 1, 2007, and (ii)
18 for procurements made on or after July 1, 2007, an employee of
19 the Board of Higher Education designated by the Board of Higher
20 Education. The higher education chief procurement officer
21 designated by the Board of Higher Education shall not be a
22 trustee, officer, or employee of a public institution of higher
23 education.

24 (4) for the selection and appointment of consultants by a
25 pension fund or retirement system created under Article 2, 14,
26 15, 16, or 18 of the Illinois Pension Code or an investment

1 board created under Article 22A of the Illinois Pension Code,
2 as the term "consultant" is defined in subsection (a-5) of
3 Section 1-113.5 or subsection (e) of Section 22A-111,
4 respectively, of the Illinois Pension Code, a representative
5 designated by the board of trustees of that pension fund or
6 retirement system or by the Illinois State Board of Investment,
7 as the case may be, for a total of 6 pension chiefs of
8 procurement.

9 (5) ~~(4)~~ for all other procurements, the Director of the
10 Department of Central Management Services.

11 (Source: P.A. 90-572, eff. 2-6-98.)

12 (30 ILCS 500/1-15.100)

13 Sec. 1-15.100. State agency. "State agency" means and
14 includes all boards, commissions, agencies, institutions,
15 authorities, and bodies politic and corporate of the State,
16 created by or in accordance with the constitution or statute,
17 of the executive branch of State government and does include
18 colleges, universities, and institutions under the
19 jurisdiction of the governing boards of the University of
20 Illinois, Southern Illinois University, Illinois State
21 University, Eastern Illinois University, Northern Illinois
22 University, Western Illinois University, Chicago State
23 University, Governor State University, Northeastern Illinois
24 University, and the Board of Higher Education. However, this
25 term applies ~~does not apply~~ to public employee pension funds,

1 retirement systems, or investment boards that are subject to
2 fiduciary duties imposed by the Illinois Pension Code only to
3 the extent and for the purpose of procurements required under
4 Sections 1-113.5 and 22A-111 of the Illinois Pension Code to be
5 made in accordance with Article 35 of this Code. The term
6 "State agency" does not apply ~~or~~ to the University of Illinois
7 Foundation. "State agency" does not include units of local
8 government, school districts, community colleges under the
9 Public Community College Act, and the Illinois Comprehensive
10 Health Insurance Board.

11 (Source: P.A. 90-572, eff. 2-6-98.)

12 (30 ILCS 500/15-25)

13 Sec. 15-25. Bulletin content.

14 (a) Invitations for bids. Notice of each and every contract
15 that is offered, including renegotiated contracts and change
16 orders, shall be published in the Bulletin. The applicable
17 chief procurement officer may provide by rule an organized
18 format for the publication of this information, but in any case
19 it must include at least the date first offered, the date
20 submission of offers is due, the location that offers are to be
21 submitted to, the purchasing State agency, the responsible
22 State purchasing officer, a brief purchase description, the
23 method of source selection, information of how to obtain a
24 comprehensive purchase description and any disclosure and
25 contract forms, and encouragement to prospective vendors to

1 hire qualified veterans, as defined by Section 45-67 of this
2 Code, and Illinois residents discharged from any Illinois adult
3 correctional center.

4 (b) Contracts let or awarded. Notice of each and every
5 contract that is let or awarded, including renegotiated
6 contracts and change orders, shall be published in the next
7 available subsequent Bulletin, and the applicable chief
8 procurement officer may provide by rule an organized format for
9 the publication of this information, but in any case it must
10 include at least all of the information specified in subsection
11 (a) as well as the name of the successful responsible bidder or
12 offeror, the contract price, the number of unsuccessful
13 responsive bidders, and any other disclosure specified in any
14 Section of this Code. This notice shall include the disclosures
15 under Section 50-37, if those disclosures are required. In
16 addition, the notice shall summarize the outreach efforts
17 undertaken by the agency to make potential bidders or offerors
18 aware of any contract offer other than publication in the
19 Bulletin. This notice must be posted in the online electronic
20 Bulletin no later than 10 business days after services or goods
21 are first provided.

22 (c) Emergency purchase disclosure. Any chief procurement
23 officer, State purchasing officer, or designee exercising
24 emergency purchase authority under this Code shall publish a
25 written description and reasons and the total cost, if known,
26 or an estimate if unknown and the name of the responsible chief

1 procurement officer and State purchasing officer, and the
2 business or person contracted with for all emergency purchases
3 in the next timely, practicable Bulletin. This notice must be
4 posted in the online electronic Bulletin within 10 business
5 days after the earlier of (i) execution of the contract or (ii)
6 whenever services or goods begin to be provided under the
7 contract and, in any event, prior to any payment by the State
8 under the contract.

9 (c-5) Each State agency shall post in the online electronic
10 Bulletin a copy of its annual report of utilization of
11 businesses owned by minorities, females, and persons with
12 disabilities as submitted to the Business Enterprise Council
13 for Minorities, Females, and Persons with Disabilities
14 pursuant to Section 6(c) of the Business Enterprise for
15 Minorities, Females, and Persons with Disabilities Act within
16 10 business days of its submission of its report to the
17 Council.

18 (c-10) Renewals. Notice of each contract renewal shall be
19 posted online on the Procurement Bulletin. The Procurement
20 Policy Board by rule shall specify the information to be
21 included in the notice, and the applicable chief procurement
22 officer by rule may provide a format for the information.

23 (d) Other required disclosure. The applicable chief
24 procurement officer shall provide by rule for the organized
25 publication of all other disclosure required in other Sections
26 of this Code in a timely manner.

1 (e) The changes to subsections (b), (c), and (c-5) of this
2 Section made by this amendatory Act of the 95th General
3 Assembly apply to reports submitted, offers made, and notices
4 on contracts executed on or after its effective date.

5 (Source: P.A. 94-1067, eff. 8-1-06.)

6 (30 ILCS 500/20-10)

7 Sec. 20-10. Competitive sealed bidding.

8 (a) Conditions for use. All contracts shall be awarded by
9 competitive sealed bidding except as otherwise provided in
10 Section 20-5.

11 (b) Invitation for bids. An invitation for bids shall be
12 issued and shall include a purchase description and the
13 material contractual terms and conditions applicable to the
14 procurement.

15 (c) Public notice. Public notice of the invitation for bids
16 shall be published in the Illinois Procurement Bulletin at
17 least 14 days before the date set in the invitation for the
18 opening of bids.

19 (d) Bid opening. Bids shall be opened publicly in the
20 presence of one or more witnesses at the time and place
21 designated in the invitation for bids. The name of each bidder,
22 the amount of each bid, and other relevant information as may
23 be specified by rule shall be recorded. After the award of the
24 contract, the winning bid and the record of each unsuccessful
25 bid shall be open to public inspection.

1 (e) Bid acceptance and bid evaluation. Bids shall be
2 unconditionally accepted without alteration or correction,
3 except as authorized in this Code. Bids shall be evaluated
4 based on the requirements set forth in the invitation for bids,
5 which may include criteria to determine acceptability such as
6 inspection, testing, quality, workmanship, delivery, and
7 suitability for a particular purpose. Those criteria that will
8 affect the bid price and be considered in evaluation for award,
9 such as discounts, transportation costs, and total or life
10 cycle costs, shall be objectively measurable. The invitation
11 for bids shall set forth the evaluation criteria to be used.

12 (f) Correction or withdrawal of bids. Correction or
13 withdrawal of inadvertently erroneous bids before or after
14 award, or cancellation of awards of contracts based on bid
15 mistakes, shall be permitted in accordance with rules. After
16 bid opening, no changes in bid prices or other provisions of
17 bids prejudicial to the interest of the State or fair
18 competition shall be permitted. All decisions to permit the
19 correction or withdrawal of bids based on bid mistakes shall be
20 supported by written determination made by a State purchasing
21 officer.

22 (g) Award. The contract shall be awarded with reasonable
23 promptness by written notice to the lowest responsible and
24 responsive bidder whose bid meets the requirements and criteria
25 set forth in the invitation for bids, except when a State
26 purchasing officer determines it is not in the best interest of

1 the State and by written explanation determines another bidder
2 shall receive the award. The explanation shall appear in the
3 appropriate volume of the Illinois Procurement Bulletin. The
4 written explanation must include:

5 (1) a description of the agency's needs;

6 (2) a determination that the anticipated cost will be
7 fair and reasonable;

8 (3) a listing of all responsible and responsive
9 bidders; and

10 (4) the name of the bidder selected, pricing, and the
11 reasons for selecting that bidder instead of the lowest
12 responsible and responsive bidder.

13 Each agency may adopt rules to implement the requirements
14 of this subsection (g).

15 The written explanation shall be filed with the Legislative
16 Audit Commission and the Procurement Policy Board and be made
17 available for inspection by the public within 30 days after the
18 agency's decision to award the contract.

19 (h) Multi-step sealed bidding. When it is considered
20 impracticable to initially prepare a purchase description to
21 support an award based on price, an invitation for bids may be
22 issued requesting the submission of unpriced offers to be
23 followed by an invitation for bids limited to those bidders
24 whose offers have been qualified under the criteria set forth
25 in the first solicitation.

26 (Source: P.A. 90-572, eff. date - See Sec. 99-5.)

1 (30 ILCS 500/20-30)

2 Sec. 20-30. Emergency purchases.

3 (a) Conditions for use. In accordance with standards set by
4 rule, a purchasing agency may make emergency procurements
5 without competitive sealed bidding or prior notice when there
6 exists a threat to public health or public safety, or when
7 immediate expenditure is necessary for repairs to State
8 property in order to protect against further loss of or damage
9 to State property, to prevent or minimize serious disruption in
10 critical State services that affect health, safety, or
11 collections of substantial State revenue, or to ensure the
12 integrity of State records; provided, however, that the term of
13 the emergency purchase shall be limited to the time reasonably
14 needed for a competitive procurement, not to exceed 6 months.

15 Emergency procurements shall be made with as much competition
16 as is practicable under the circumstances. A written
17 description of the basis for the emergency and reasons for the
18 selection of the particular contractor shall be included in the
19 contract file.

20 (b) Notice. Before the next appropriate volume of the
21 Illinois Procurement Bulletin, the purchasing agency shall
22 publish in the Illinois Procurement Bulletin a copy of each
23 written description and reasons and the total cost of each
24 emergency procurement made during the previous month. When only
25 an estimate of the total cost is known at the time of

1 publication, the estimate shall be identified as an estimate
2 and published. When the actual total cost is determined, it
3 shall also be published in like manner before the 10th day of
4 the next succeeding month.

5 (c) Affidavits. A purchasing agency making a procurement
6 under this Section shall file affidavits with the chief
7 procurement officer and the Auditor General within 10 days
8 after the procurement setting forth the amount expended, the
9 name of the contractor involved, and the conditions and
10 circumstances requiring the emergency procurement. When only
11 an estimate of the cost is available within 10 days after the
12 procurement, the actual cost shall be reported immediately
13 after it is determined. At the end of each fiscal quarter, the
14 Auditor General shall file with the Legislative Audit
15 Commission and the Governor a complete listing of all emergency
16 procurements reported during that fiscal quarter. The
17 Legislative Audit Commission shall review the emergency
18 procurements so reported and, in its annual reports, advise the
19 General Assembly of procurements that appear to constitute an
20 abuse of this Section.

21 (d) Quick purchases. The chief procurement officer may
22 promulgate rules extending the circumstances by which a
23 purchasing agency may make purchases under this Section,
24 including but not limited to the procurement of items available
25 at a discount for a limited period of time.

26 (e) The changes to this Section made by this amendatory Act

1 of the 95th General Assembly apply to procurements executed on
2 or after its effective date.

3 (Source: P.A. 90-572, eff. date - See Sec. 99-5.)

4 (30 ILCS 500/20-43 new)

5 Sec. 20-43. Bidder or offeror authorized to do business in
6 Illinois. In addition to meeting any other requirement of law
7 or rule, a person (other than an individual acting as a sole
8 proprietor) may qualify as a bidder or offeror under this Code
9 only if the person is a legal entity authorized to do business
10 in Illinois prior to submitting the bid, offer, or proposal.

11 (30 ILCS 500/35-15)

12 Sec. 35-15. Prequalification.

13 (a) The Director of Central Management Services, the
14 pension chief procurement officers, and the higher education
15 chief procurement officer shall each develop appropriate and
16 reasonable prequalification standards and categories of
17 professional and artistic services.

18 (b) The prequalifications and categorizations shall be
19 submitted to the Procurement Policy Board and published for
20 public comment prior to their submission to the Joint Committee
21 on Administrative Rules for approval.

22 (c) The Director of Central Management Services, the
23 pension chief procurement officers, and the higher education
24 chief procurement officer shall each also assemble and maintain

1 a comprehensive list of prequalified and categorized
2 businesses and persons.

3 (d) Prequalification shall not be used to bar or prevent
4 any qualified business or person for bidding or responding to
5 invitations for bid or proposal.

6 (Source: P.A. 90-572, eff. date - See Sec. 99-5.)

7 (30 ILCS 500/35-20)

8 Sec. 35-20. Uniformity in procurement.

9 (a) The Director of Central Management Services, the
10 pension chief procurement officers, and the higher education
11 chief procurement officer shall each develop, cause to be
12 printed, and distribute uniform documents for the
13 solicitation, review, and acceptance of all professional and
14 artistic services.

15 (b) All chief procurement officers, State purchasing
16 officers, and their designees shall use the appropriate uniform
17 procedures and forms specified in this Code for all
18 professional and artistic services.

19 (c) These forms shall include in detail, in writing, at
20 least:

- 21 (1) a description of the goal to be achieved;
- 22 (2) the services to be performed;
- 23 (3) the need for the service;
- 24 (4) the qualifications that are necessary; and
- 25 (5) a plan for post-performance review.

1 (Source: P.A. 90-572, eff. date - See Sec. 99-5.)

2 (30 ILCS 500/35-25)

3 Sec. 35-25. Uniformity in contract.

4 (a) The Director of Central Management Services, the
5 pension chief procurement officers, and the higher education
6 chief procurement officer shall each develop, cause to be
7 printed, and distribute uniform documents for the contracting
8 of professional and artistic services.

9 (b) All chief procurement officers, State purchasing
10 officers, and their designees shall use the appropriate uniform
11 contracts and forms in contracting for all professional and
12 artistic services.

13 (c) These contracts and forms shall include in detail, in
14 writing, at least:

15 (1) the detail listed in subsection (c) of Section
16 35-20;

17 (2) the duration of the contract, with a schedule of
18 delivery, when applicable;

19 (3) the method for charging and measuring cost (hourly,
20 per day, etc.);

21 (4) the rate of remuneration; and

22 (5) the maximum price.

23 (Source: P.A. 90-572, eff. date - See Sec. 99-5.)

24 (30 ILCS 500/35-30)

1 Sec. 35-30. Awards.

2 (a) All State contracts for professional and artistic
3 services, except as provided in this Section, shall be awarded
4 using the competitive request for proposal process outlined in
5 this Section.

6 (b) For each contract offered, the chief procurement
7 officer, State purchasing officer, or his or her designee shall
8 use the appropriate standard solicitation forms available from
9 the Department of Central Management Services, the appropriate
10 pension chief procurement officer, or the higher education
11 chief procurement officer.

12 (c) Prepared forms shall be submitted to the Department of
13 Central Management Services, a pension chief procurement
14 officer, or the higher education chief procurement officer,
15 whichever is appropriate, for publication in its Illinois
16 Procurement Bulletin and circulation to the Department of
17 Central Management Services', the pension chief procurement
18 officer's, or the higher education chief procurement officer's
19 list of prequalified vendors. Notice of the offer or request
20 for proposal shall appear at least 14 days before the response
21 to the offer is due.

22 (d) All interested respondents shall return their
23 responses to the Department of Central Management Services, the
24 pension chief procurement officer, or the higher education
25 chief procurement officer, whichever is appropriate, which
26 shall open and record them. The Department, the pension chief

1 procurement officer, or higher education chief procurement
2 officer then shall forward the responses, together with any
3 information it has available about the qualifications and other
4 State work of the respondents.

5 (e) After evaluation, ranking, and selection, the
6 responsible chief procurement officer, State purchasing
7 officer, or his or her designee shall notify the Department of
8 Central Management Services, the pension chief procurement
9 officer, or the higher education chief procurement officer,
10 whichever is appropriate, of the successful respondent and
11 shall forward a copy of the signed contract for the
12 Department's, pension chief procurement officer's, or higher
13 education chief procurement officer's file. The Department, the
14 pension chief procurement officer, or higher education
15 chief procurement officer shall publish the names of the
16 responsible procurement decision-maker, the agency letting the
17 contract, the successful respondent, a contract reference, and
18 value of the let contract in the next appropriate volume of the
19 Illinois Procurement Bulletin.

20 (f) For all professional and artistic contracts with
21 annualized value that exceeds \$25,000, evaluation and ranking
22 by price are required. Any chief procurement officer or State
23 purchasing officer, but not their designees, may select an
24 offeror other than the lowest bidder by price. In any case,
25 when the contract exceeds the \$25,000 threshold ~~threshold~~ and
26 the lowest bidder is not selected, the chief procurement

1 officer or the State purchasing officer shall forward together
2 with the contract notice of who the low bidder was and a
3 written decision as to why another was selected to the
4 Department of Central Management Services, the pension chief
5 procurement officer, or the higher education chief procurement
6 officer, whichever is appropriate. The Department, the pension
7 chief procurement officer, or higher education chief
8 procurement officer shall publish as provided in subsection (e)
9 of Section 35-30, but shall include notice of the chief
10 procurement officer's or State purchasing officer's written
11 decision.

12 (g) The Department of Central Management Services, the
13 pension chief procurement officers, and higher education chief
14 procurement officer may each refine, but not contradict, this
15 Section by promulgating rules for submission to the Procurement
16 Policy Board and then to the Joint Committee on Administrative
17 Rules. Any refinement shall be based on the principles and
18 procedures of the federal Architect-Engineer Selection Law,
19 Public Law 92-582 Brooks Act, and the Architectural,
20 Engineering, and Land Surveying Qualifications Based Selection
21 Act; except that pricing shall be an integral part of the
22 selection process.

23 (Source: P.A. 90-572, eff. date - See Sec. 99-5; revised
24 10-19-05.)

1 Sec. 35-35. Exceptions.

2 (a) Exceptions to Section 35-30 are allowed for sole source
3 procurements, emergency procurements, and at the discretion of
4 the chief procurement officer or the State purchasing officer,
5 but not their designees, for professional and artistic
6 contracts that are nonrenewable, one year or less in duration,
7 and have a value of less than \$20,000.

8 (b) All exceptions granted under this Article must still be
9 submitted to the Department of Central Management Services, the
10 appropriate pension chief procurement officer, or the higher
11 education chief procurement officer, whichever is appropriate,
12 and published as provided for in subsection (f) of Section
13 35-30, shall name the authorizing chief procurement officer or
14 State purchasing officer, and shall include a brief explanation
15 of the reason for the exception.

16 (Source: P.A. 90-572, eff. date - See Sec. 99-5.)

17 (30 ILCS 500/35-40)

18 Sec. 35-40. Subcontractors.

19 (a) Any contract granted under this Article shall state
20 whether the services of a subcontractor will be used. The
21 contract shall include the names and addresses of all
22 subcontractors and the expected amount of money each will
23 receive under the contract.

24 (b) If at any time during the term of a contract, a
25 contractor adds or changes any subcontractors, he or she shall

1 promptly notify, in writing, the Department of Central
2 Management Services, the appropriate pension chief procurement
3 officer, or the higher education chief procurement officer,
4 whichever is appropriate, and the responsible chief
5 procurement officer, State purchasing officer, or their
6 designee of the names and addresses and the expected amount of
7 money each new or replaced subcontractor will receive.

8 (Source: P.A. 90-572, eff. date - See Sec. 99-5.)

9 (30 ILCS 500/40-15)

10 Sec. 40-15. Method of source selection.

11 (a) Request for information. Except as provided in
12 subsections (b) and (c), all State contracts for leases of real
13 property or capital improvements shall be awarded by a request
14 for information process in accordance with Section 40-20.

15 (b) Other methods. A request for information process need
16 not be used in procuring any of the following leases:

17 (1) Property of less than 10,000 square feet.

18 (2) Rent of less than \$100,000 per year.

19 (3) Duration of less than one year that cannot be
20 renewed.

21 (4) Specialized space available at only one location.

22 (5) Renewal or extension of a lease ~~in effect before~~
23 ~~July 1, 2002~~; provided that: (i) the chief procurement
24 officer determines in writing that the renewal or extension
25 is in the best interest of the State; (ii) the chief

1 procurement officer submits his or her written
2 determination and the renewal or extension to the Board;
3 (iii) the Board does not object in writing to the renewal
4 or extension within 30 days after its submission; and (iv)
5 the chief procurement officer publishes the renewal or
6 extension in the appropriate volume of the Procurement
7 Bulletin.

8 (c) Leases with governmental units. Leases with other
9 governmental units may be negotiated without using the request
10 for information process when deemed by the chief procurement
11 officer to be in the best interest of the State.

12 (Source: P.A. 93-133, eff. 1-1-04; 93-839, eff. 7-30-04.)

13 (30 ILCS 500/40-25)

14 Sec. 40-25. Length of leases.

15 (a) Maximum term. Leases shall be for a term not to exceed
16 10 years and shall include a termination option in favor of the
17 State after 5 years.

18 (b) Renewal. Leases may include a renewal option. An option
19 to renew may be exercised only when a State purchasing officer
20 determines in writing that renewal is in the best interest of
21 the State and notice of the exercise of the option is published
22 in the appropriate volume of the Procurement Bulletin at least
23 60 days prior to the exercise of the option.

24 (c) Subject to appropriation. All leases shall recite that
25 they are subject to termination and cancellation in any year

1 for which the General Assembly fails to make an appropriation
2 to make payments under the terms of the lease.

3 (d) Holdover. No lease may continue on a month-to-month or
4 other holdover basis for a total of more than 6 months.

5 (Source: P.A. 90-572, eff. date - See Sec. 99-5.)

6 (30 ILCS 500/50-13)

7 Sec. 50-13. Conflicts of interest.

8 (a) Prohibition. It is unlawful for any person holding an
9 elective office in this State, holding a seat in the General
10 Assembly, or appointed to or employed in any of the offices or
11 agencies of State government ~~and who receives compensation for~~
12 ~~such employment in excess of 60% of the salary of the Governor~~
13 ~~of the State of Illinois~~, or who is an officer or employee of
14 the Capital Development Board or the Illinois Toll Highway
15 Authority, or who is the spouse or minor child of any such
16 person to have or acquire any contract, or any direct pecuniary
17 interest in any contract therein, whether for stationery,
18 printing, paper, or any services, materials, or supplies, that
19 will be wholly or partially satisfied by the payment of funds
20 appropriated by the General Assembly of the State of Illinois
21 or in any contract of the Capital Development Board or the
22 Illinois Toll Highway Authority.

23 (b) Interests. It is unlawful for any firm, partnership,
24 association, or corporation, in which any person listed in
25 subsection (a) is entitled to receive (i) more than 7 1/2% of

1 the total distributable income or (ii) an amount in excess of
2 the salary of the Governor, to have or acquire any such
3 contract or direct pecuniary interest therein.

4 (b-5) Notwithstanding any other provision of law, no person
5 listed in subsection (a) may receive a legal, banking,
6 consulting, or other fee related to the issuance of any bond
7 issued by the State or by any agency or other entity of State
8 government.

9 (c) Combined interests. It is unlawful for any firm,
10 partnership, association, or corporation, in which any person
11 listed in subsection (a) together with his or her spouse or
12 minor children is entitled to receive (i) more than 15%, in the
13 aggregate, of the total distributable income or (ii) an amount
14 in excess of 2 times the salary of the Governor, to have or
15 acquire any such contract or direct pecuniary interest therein.

16 (c-5) Appointees and firms. In addition to any provisions
17 of this Code, the interests of certain appointees and their
18 firms are subject to Section 3A-35 of the Illinois Governmental
19 Ethics Act.

20 (d) Securities. Nothing in this Section invalidates the
21 provisions of any bond or other security previously offered or
22 to be offered for sale or sold by or for the State of Illinois.

23 (e) Prior interests. This Section does not affect the
24 validity of any contract made between the State and an officer
25 or employee of the State or member of the General Assembly, his
26 or her spouse, minor child, or other immediate family member

1 living in his or her residence or any combination of those
2 persons if that contract was in existence before his or her
3 election or employment as an officer, member, or employee. The
4 contract is voidable, however, if it cannot be completed within
5 365 days after the officer, member, or employee takes office or
6 is employed.

7 (f) Exceptions.

8 (1) Public aid payments. This Section does not apply to
9 payments made for a public aid recipient.

10 (2) Teaching. This Section does not apply to a contract
11 for personal services as a teacher or school administrator
12 between a member of the General Assembly or his or her
13 spouse, or a State officer or employee or his or her
14 spouse, and any school district, public community college
15 district, the University of Illinois, Southern Illinois
16 University, Illinois State University, Eastern Illinois
17 University, Northern Illinois University, Western Illinois
18 University, Chicago State University, Governor State
19 University, or Northeastern Illinois University.

20 (3) Ministerial duties. This Section does not apply to
21 a contract for personal services of a wholly ministerial
22 character, including but not limited to services as a
23 laborer, clerk, typist, stenographer, page, bookkeeper,
24 receptionist, or telephone switchboard operator, made by a
25 spouse or minor child of an elective or appointive State
26 officer or employee or of a member of the General Assembly.

1 (4) Child and family services. This Section does not
2 apply to payments made to a member of the General Assembly,
3 a State officer or employee, his or her spouse or minor
4 child acting as a foster parent, homemaker, advocate, or
5 volunteer for or in behalf of a child or family served by
6 the Department of Children and Family Services.

7 (5) Licensed professionals. Contracts with licensed
8 professionals, provided they are competitively bid or part
9 of a reimbursement program for specific, customary goods
10 and services through the Department of Children and Family
11 Services, the Department of Human Services, the Department
12 of Healthcare and Family Services ~~Public Aid~~, the
13 Department of Public Health, or the Department on Aging.

14 (g) Penalty. A person convicted of a violation of this
15 Section is guilty of a business offense and shall be fined not
16 less than \$1,000 nor more than \$5,000.

17 (Source: P.A. 93-615, eff. 11-19-03; revised 12-15-05.)

18 (30 ILCS 500/50-20)

19 Sec. 50-20. Exemptions. With the approval of the
20 appropriate chief procurement officer involved, the Governor,
21 or an executive ethics board or commission he or she
22 designates, may exempt named individuals from the prohibitions
23 of Section 50-13, except the prohibition set forth in
24 subsection (b-5) of Section 50-13, when, in his, her, or its
25 judgment, the public interest in having the individual in the

1 service of the State outweighs the public policy evidenced in
2 that Section. An exemption is effective only when it is filed
3 with the Secretary of State and the Comptroller within 60 days
4 after its issuance or when performance of the contract begins,
5 whichever is earlier, and includes a statement setting forth
6 the name of the individual and all the pertinent facts that
7 would make that Section applicable, setting forth the reason
8 for the exemption, and declaring the individual exempted from
9 that Section. Exemptions must be filed with the Secretary of
10 State and Comptroller prior to execution of any contracts. A
11 copy of ~~Notice of~~ each exemption shall be published in the
12 Illinois Procurement Bulletin in its electronic form prior to
13 execution of the contract. The changes to this Section made by
14 this amendatory Act of the 95th General Assembly apply to
15 exemptions granted on or after its effective date.

16 A contract for which a waiver has been issued but has not
17 been filed in accordance with this Section is voidable.

18 (Source: P.A. 90-572, eff. 2-6-98.)

19 (30 ILCS 500/50-21 new)

20 Sec. 50-21. Bond issuances.

21 (a) A State agency shall not enter into a contract with
22 respect to the issuance of bonds or other securities by the
23 State or a State agency with any entity that uses an
24 independent consultant.

25 As used in this subsection, "independent consultant" means

1 a person used by the entity to obtain or retain securities
2 business through direct or indirect communication by the person
3 with a State official or employee on behalf of the entity when
4 the communication is undertaken by the person in exchange for
5 or with the understanding of receiving payment from the entity
6 or another person. "Independent consultant" does not include
7 (i) a finance professional employed by the entity or (ii) a
8 person whose sole basis of compensation from the entity is the
9 actual provision of legal, accounting, or engineering advice,
10 services, or assistance in connection with the securities
11 business that the entity seeks to obtain or retain.

12 (b) Each contract entered into by a State agency with
13 respect to the issuance of bonds or other securities by the
14 State or a State agency shall include a certification by any
15 contracting party subject to the Municipal Securities
16 Rulemaking Board's Rule G-37, or a successor rule, that the
17 contracting entity is and shall remain for the duration of the
18 contract in compliance with the Rule's requirements for
19 reporting political contributions. Violation of the
20 certification makes the contract voidable by the State and
21 shall bar the awarding of a State agency contract with respect
22 to the issuance of bonds or other securities to the violator
23 for a period of 10 years after the determination of the
24 violation.

25 (c) Any entity convicted of violating the Municipal
26 Securities Rulemaking Board's Rule G-37, or any successor rule,

1 with respect to the prohibitions of that rule against obtaining
2 or retaining municipal securities business and the making of
3 political contributions or payments is permanently barred from
4 participating in any State agency contract with respect to the
5 issuance of bonds or other securities.

6 (30 ILCS 500/50-37 new)

7 Sec. 50-37. Disclosure of political contributions.

8 (a) All offers from responsive bidders or offerors with an
9 annual value of more than \$10,000 shall be accompanied by
10 disclosure of the political contributions of the contractor,
11 bidder, or proposer as provided in this Section. The
12 appropriate chief procurement officer shall ensure that this
13 disclosure is not used in the awarding of the contract or
14 selection of the vendor and further ensure that the disclosure
15 remains confidential until after the contract is awarded or
16 vendor is selected. The disclosure of each successful bidder or
17 offeror shall become part of the publicly available contract or
18 procurement file maintained by the appropriate chief
19 procurement officer and shall also be filed with the
20 Comptroller as part of the filing required pursuant to Section
21 20-80 of this Code.

22 (b) Disclosure by the responsive bidders or offerors shall
23 include at least the names and addresses of the contributors
24 and the dollar amounts of any contributions to the officeholder
25 responsible for awarding the contract or to any political

1 committees established to promote the candidacy of such
2 officeholder made within the previous 2 years by the responsive
3 bidders or offerors and any affiliated persons or entities.

4 (c) As used in this Section:

5 "Contribution" means contribution as defined in Section
6 9-1.4 of the Election Code.

7 "Officeholder" means the Governor, Lieutenant Governor,
8 Attorney General, Secretary of State, Comptroller, or
9 Treasurer. The Governor shall be considered the officeholder
10 responsible for awarding all contracts by all officers and
11 employees of, and vendors and others doing business with,
12 executive branch State agencies under the jurisdiction of the
13 Executive Ethics Commission and not within the jurisdiction of
14 the Attorney General, the Secretary of State, the Comptroller,
15 or the Treasurer.

16 "Sponsoring entity" means sponsoring entity as defined in
17 Section 9-3 of the Election Code.

18 "Affiliated person" means (i) any person with any ownership
19 interest or distributive share of the bidding or contracting
20 entity in excess of 5%, (ii) executive employees of the bidding
21 or contracting entity, and (iii) the spouse and minor children
22 of any such persons.

23 "Affiliated entity" means (i) any subsidiary of the bidding
24 or contracting entity, (ii) any member of the same unitary
25 business group, or (iii) any political committee for which the
26 bidding or contracting entity is the sponsoring entity.

1 (d) Pursuant to Section 9 of the State Comptroller Act, the
2 Comptroller may refuse to draw a warrant for payment on any
3 voucher based on the obligation of any contract if the
4 disclosures required by this Section are not filed with the
5 Comptroller.

6 (e) Notwithstanding subsection (b), contributions to any
7 candidate that in the aggregate do not exceed \$500 within the
8 previous 2 years do not need to be disclosed.

9 (f) Any business whose contracts with State agencies, in
10 the aggregate, annually total more than \$25,000 is prohibited
11 from making any contributions to the officeholder responsible
12 for awarding the contracts or to any political committees
13 established to promote the candidacy of that officeholder. This
14 prohibition shall be effective for the current term of office
15 of the incumbent awarding the contracts or for a period of 2
16 years following the conclusion of the contracts, whichever is
17 longer. This prohibition shall also apply to contributions from
18 any affiliated persons or entities.

19 (f-5) Any business whose aggregate bids and proposals on
20 State contracts total more than \$25,000, or whose aggregate
21 bids and proposals on State contracts combined with the
22 business' aggregate annual total value of State contracts
23 exceed \$25,000, is prohibited from making any contributions to
24 the officeholder responsible for awarding the contract on which
25 the business has submitted a bid or proposal, or to any
26 political committee established to promote the candidacy of

1 that officeholder, during the period beginning on the date the
2 invitation for bids or request for proposals is issued and
3 ending on the day after the date the contract is awarded. This
4 prohibition shall also apply to contributions from any
5 affiliated persons or entities.

6 (g) All contracts between State agencies and a business
7 that violates subsection (f) or (f-5) shall be voidable under
8 Section 50-60.

9 If a business violates subsection (f) 3 or more times
10 within a 36-month period, then all contracts between State
11 agencies and that business shall be void, and that business
12 shall not bid or respond to any invitation to bid or request
13 for proposals from any State agency or otherwise enter into any
14 contract with any State agency for 3 years from the date of the
15 last violation.

16 A notice of each violation and the penalty imposed shall be
17 published in both the Procurement Bulletin and the Illinois
18 Register.

19 (h) Any political committee that has received a
20 contribution in violation of subsection (f) shall pay an amount
21 equal to the value of the contribution to the State no more
22 than 30 days after notice of the violation concerning the
23 contribution appears in the Illinois Register. Payments
24 received by the State pursuant to this subsection shall be
25 deposited into the general revenue fund.

1 Section 35. The Illinois Pension Code is amended by
2 changing Sections 1-101.2, 1-101.4, 1-109.1, 1-110, 1-113.5,
3 1-113.12, 1A-113, 22A-108.1, and 22A-111 and by adding Sections
4 1-125, 1-130, 1-135, and 1-140 as follows:

5 (40 ILCS 5/1-101.2)

6 Sec. 1-101.2. Fiduciary. A person is a "fiduciary" with
7 respect to a pension fund or retirement system established
8 under this Code to the extent that the person:

9 (1) exercises any discretionary authority or
10 discretionary control respecting management of the pension
11 fund or retirement system, or exercises any authority or
12 control respecting management or disposition of its
13 assets;

14 (2) renders investment advice, or advice with respect
15 to the selection of other fiduciaries, for a fee or other
16 compensation, direct or indirect, with respect to any
17 moneys or other property of the pension fund or retirement
18 system, or has any authority or responsibility to do so; or

19 (3) has any discretionary authority or discretionary
20 responsibility in the administration of the pension fund or
21 retirement system.

22 (Source: P.A. 90-507, eff. 8-22-97.)

23 (40 ILCS 5/1-101.4)

24 Sec. 1-101.4. Investment adviser. A person is an

1 "investment adviser", "investment advisor", or "investment
2 manager" with respect to a pension fund or retirement system
3 established under this Code if the ~~the~~ person:

4 (1) is a fiduciary appointed by the board of trustees
5 of the pension fund or retirement system in accordance with
6 Section 1-109.1;

7 (2) has the power to manage, acquire, or dispose of any
8 asset of the retirement system or pension fund;

9 (3) has acknowledged in writing that he or she is a
10 fiduciary with respect to the pension fund or retirement
11 system; and

12 (4) is at least one of the following: (i) registered as
13 an investment adviser under the federal Investment
14 Advisers Act of 1940 (15 U.S.C. 80b-1, et seq.); (ii)
15 registered as an investment adviser under the Illinois
16 Securities Law of 1953; (iii) a bank, as defined in the
17 Investment Advisers Act of 1940; or (iv) an insurance
18 company authorized to transact business in this State.

19 (Source: P.A. 90-507, eff. 8-22-97.)

20 (40 ILCS 5/1-109.1) (from Ch. 108 1/2, par. 1-109.1)

21 Sec. 1-109.1. Allocation and Delegation of Fiduciary
22 Duties.

23 (1) Subject to the provisions of Section 22A-113 of this
24 Code and subsections (2) and (3) of this Section, the board of
25 trustees of a retirement system or pension fund established

1 under this Code may:

2 (a) Appoint one or more investment managers as
3 fiduciaries to manage (including the power to acquire and
4 dispose of) any assets of the retirement system or pension
5 fund; and

6 (b) Allocate duties among themselves and designate
7 others as fiduciaries to carry out specific fiduciary
8 activities other than the management of the assets of the
9 retirement system or pension fund.

10 (2) The board of trustees of a pension fund established
11 under Article 5, 6, 8, 9, 10, 11, 12 or 17 of this Code may not
12 transfer its investment authority, nor transfer the assets of
13 the fund to any other person or entity for the purpose of
14 consolidating or merging its assets and management with any
15 other pension fund or public investment authority, unless the
16 board resolution authorizing such transfer is submitted for
17 approval to the contributors and pensioners of the fund at
18 elections held not less than 30 days after the adoption of such
19 resolution by the board, and such resolution is approved by a
20 majority of the votes cast on the question in both the
21 contributors election and the pensioners election. The
22 election procedures and qualifications governing the election
23 of trustees shall govern the submission of resolutions for
24 approval under this paragraph, insofar as they may be made
25 applicable.

26 (3) Pursuant to subsections (h) and (i) of Section 6 of

1 Article VII of the Illinois Constitution, the investment
2 authority of boards of trustees of retirement systems and
3 pension funds established under this Code is declared to be a
4 subject of exclusive State jurisdiction, and the concurrent
5 exercise by a home rule unit of any power affecting such
6 investment authority is hereby specifically denied and
7 preempted.

8 (4) For the purposes of this Code, "emerging investment
9 manager" means a qualified investment adviser that manages an
10 investment portfolio of at least \$10,000,000 but less than
11 \$2,000,000,000 and is a "minority owned business" or "female
12 owned business" as those terms are defined in the Business
13 Enterprise for Minorities, Females, and Persons with
14 Disabilities Act.

15 It is hereby declared to be the public policy of the State
16 of Illinois to encourage the trustees of public employee
17 retirement systems to use emerging investment managers in
18 managing their system's assets to the greatest extent feasible
19 within the bounds of financial and fiduciary prudence, and to
20 take affirmative steps to remove any barriers to the full
21 participation of emerging investment managers in investment
22 opportunities afforded by those retirement systems.

23 On or before July 1, 2007 each system or fund subject to
24 Article 2, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 17, or 18 of
25 this Code and the Illinois State Board of Investment shall
26 adopt a policy including quantifiable goals for the utilization

1 of emerging investment managers. This policy shall also include
2 quantifiable goals for the management of assets in specific
3 classes by emerging investment managers, including but not
4 limited to: large cap domestic equity, small and medium cap
5 domestic equity, international equity, fixed income
6 investments, and private equity.

7 Each retirement system subject to this Code shall prepare a
8 report to be submitted to the Governor and the General Assembly
9 by September 1 of each year. The report shall identify the
10 emerging investment managers used by the system, the percentage
11 of the system's assets under the investment control of emerging
12 investment managers, and the actions it has undertaken to
13 increase the use of emerging investment managers, including
14 encouraging other investment managers to use emerging
15 investment managers as subcontractors when the opportunity
16 arises.

17 The use of an emerging investment manager does not
18 constitute a transfer of investment authority for the purposes
19 of subsection (2) of this Section.

20 (Source: P.A. 94-471, eff. 8-4-05.)

21 (40 ILCS 5/1-110) (from Ch. 108 1/2, par. 1-110)

22 Sec. 1-110. Prohibited Transactions.

23 (a) A fiduciary with respect to a retirement system or
24 pension fund shall not cause the retirement system or pension
25 fund to engage in a transaction if he or she knows or should

1 know that such transaction constitutes a direct or indirect:

2 (1) Sale or exchange, or leasing of any property from
3 the retirement system or pension fund to a party in
4 interest for less than adequate consideration, or from a
5 party in interest to a retirement system or pension fund
6 for more than adequate consideration.

7 (2) Lending of money or other extension of credit from
8 the retirement system or pension fund to a party in
9 interest without the receipt of adequate security and a
10 reasonable rate of interest, or from a party in interest to
11 a retirement system or pension fund with the provision of
12 excessive security or an unreasonably high rate of
13 interest.

14 (3) Furnishing of goods, services or facilities from
15 the retirement system or pension fund to a party in
16 interest for less than adequate consideration, or from a
17 party in interest to a retirement system or pension fund
18 for more than adequate consideration.

19 (4) Transfer to, or use by or for the benefit of, a
20 party in interest of any assets of a retirement system or
21 pension fund for less than adequate consideration.

22 (b) A fiduciary with respect to a retirement system or
23 pension fund established under this Code shall not:

24 (1) Deal with the assets of the retirement system or
25 pension fund in his own interest or for his own account;

26 (2) In his individual or any other capacity act in any

1 transaction involving the retirement system or pension
2 fund on behalf of a party whose interests are adverse to
3 the interests of the retirement system or pension fund or
4 the interests of its participants or beneficiaries; or

5 (3) Receive any consideration for his own personal
6 account from any party dealing with the retirement system
7 or pension fund in connection with a transaction involving
8 the assets of the retirement system or pension fund.

9 (c) Nothing in this Section shall be construed to prohibit
10 any trustee from:

11 (1) Receiving any benefit to which he may be entitled
12 as a participant or beneficiary in the retirement system or
13 pension fund.

14 (2) Receiving any reimbursement of expenses properly
15 and actually incurred in the performance of his duties with
16 the retirement system or pension fund.

17 (3) Serving as a trustee in addition to being an
18 officer, employee, agent or other representative of a party
19 in interest.

20 (d) A fiduciary with respect to a retirement system or
21 pension fund shall not knowingly cause or advise the retirement
22 system or pension fund to engage in an investment transaction
23 when the fiduciary (i) has any direct interest in the income,
24 gains, or profits of the investment advisor through which the
25 investment transaction is made or (ii) has a business
26 relationship with that investment advisor that would result in

1 a pecuniary benefit to the fiduciary as a result of the
2 investment transaction.

3 Whoever violates the provisions of this subsection (d) is
4 guilty of a Class 3 felony.

5 (Source: P.A. 88-535.)

6 (40 ILCS 5/1-113.5)

7 Sec. 1-113.5. Investment advisers; consultants; and
8 investment services.

9 (a) The board of trustees of a pension fund or retirement
10 system may appoint investment advisers as defined in Section
11 1-101.4. The board of any pension fund investing in common or
12 preferred stock under Section 1-113.4 shall appoint an
13 investment adviser before making such investments.

14 The investment adviser shall be a fiduciary, as defined in
15 Section 1-101.2, with respect to the pension fund or retirement
16 system and shall be one of the following:

17 (1) an investment adviser registered under the federal
18 Investment Advisers Act of 1940 and the Illinois Securities
19 Law of 1953;

20 (2) a bank or trust company authorized to conduct a
21 trust business in Illinois;

22 (3) a life insurance company authorized to transact
23 business in Illinois; or

24 (4) an investment company as defined and registered
25 under the federal Investment Company Act of 1940 and

1 registered under the Illinois Securities Law of 1953.

2 (a-5) Notwithstanding any other provision of law, a person
3 or entity that provides consulting services (referred to as a
4 "consultant" in this Section) to a pension fund or retirement
5 system with respect to the selection of fiduciaries may not be
6 awarded a contract to provide those consulting services that is
7 more than 5 years in duration. No contract to provide such
8 consulting services may be renewed or extended. At the end of
9 the term of a contract, however, the contractor is eligible to
10 compete for a new contract as provided in subsection (a-10). No
11 pension fund, retirement system, or consultant shall attempt to
12 avoid or contravene the restrictions of this subsection by any
13 means.

14 (a-10) For the board of trustees of a pension fund or
15 retirement system created under Article 2, 14, 15, 16, or 18,
16 the selection and appointment of a consultant, and the
17 contracting for investment services from a consultant,
18 constitute procurements of professional and artistic services
19 under the Illinois Procurement Code that must be made and
20 awarded in accordance with and through the use of the method of
21 selection required by Article 35 of that Code. For the board of
22 trustees of a pension fund or retirement system created under
23 any other Article of this Code, the selection and appointment
24 of a consultant, and the contracting for investment services by
25 a consultant, constitute procurements that must be made and
26 awarded in a manner substantially similar to the method of

1 selection required for the procurement of professional and
2 artistic services under Article 35 of the Illinois Procurement
3 Code. All offers from responsive offerors shall be accompanied
4 by disclosure of the names and addresses of the offeror and any
5 affiliated persons or entities.

6 "Affiliated person" means (i) any person with any ownership
7 interest or distributive share of the bidding or contracting
8 entity in excess of 5%, (ii) executive employees of the bidding
9 or contracting entity, and (iii) the spouse and minor children
10 of any such persons.

11 "Affiliated entity" means (i) any subsidiary of the bidding
12 or contracting entity, (ii) any member of the same unitary
13 business group, or (iii) any political committee for which the
14 bidding or contracting entity is the sponsoring entity.

15 Beginning on July 1, 2007, a person, other than a trustee
16 or an employee of a pension fund or retirement system, may not
17 act as a consultant under this Section unless that person is at
18 least one of the following: (i) registered as an investment
19 adviser under the federal Investment Advisers Act of 1940 (15
20 U.S.C. 80b-1, et seq.); (ii) registered as an investment
21 adviser under the Illinois Securities Law of 1953; (iii) a
22 bank, as defined in the Investment Advisers Act of 1940; or
23 (iv) an insurance company authorized to transact business in
24 this State.

25 (b) All investment advice and services provided by an
26 investment adviser or a consultant appointed under this Section

1 shall be (i) rendered pursuant to a written contract between
2 the investment adviser or consultant and the board, awarded as
3 provided in subsection (a-10), and (ii) in accordance with the
4 board's investment policy.

5 The contract shall include all of the following:

6 (1) acknowledgement in writing by the investment
7 adviser or consultant that he or she is a fiduciary with
8 respect to the pension fund or retirement system;

9 (2) the board's investment policy;

10 (3) full disclosure of direct and indirect fees,
11 commissions, penalties, and any other compensation that
12 may be received by the investment adviser or consultant,
13 including reimbursement for expenses; and

14 (4) a requirement that the investment adviser or
15 consultant submit periodic written reports, on at least a
16 quarterly basis, for the board's review at its regularly
17 scheduled meetings. All returns on investment shall be
18 reported as net returns after payment of all fees,
19 commissions, and any other compensation.

20 (b-5) Each contract described in subsection (b) shall also
21 include (i) full disclosure of direct and indirect fees,
22 commissions, penalties, and other compensation, including
23 reimbursement for expenses, that may be paid by or on behalf of
24 the investment adviser or consultant in connection with the
25 provision of services to the pension fund or retirement system
26 and (ii) a requirement that the investment adviser or

1 consultant update the disclosure promptly after a modification
2 of those payments or an additional payment.

3 Within 30 days after the effective date of this amendatory
4 Act of the 95th General Assembly, each investment adviser and
5 consultant currently providing services or subject to an
6 existing contract for the provision of services must disclose
7 to the board of trustees all direct and indirect fees,
8 commissions, penalties, and other compensation paid by or on
9 behalf of the investment adviser or consultant in connection
10 with the provision of those services and shall update that
11 disclosure promptly after a modification of those payments or
12 an additional payment.

13 A person required to make a disclosure under subsection (d)
14 is also required to disclose direct and indirect fees,
15 commissions, penalties, or other compensation that shall or may
16 be paid by or on behalf of the person in connection with the
17 rendering of those services. The person shall update the
18 disclosure promptly after a modification of those payments or
19 an additional payment.

20 The disclosures required by this subsection shall be in
21 writing and shall include the date and amount of each payment
22 and the name and address of each recipient of a payment.

23 (c) Within 30 days after appointing an investment adviser
24 or consultant, the board shall submit a copy of the contract to
25 the ~~Division~~ Department of Insurance of the Department of
26 Financial and Professional Regulation.

1 (d) Investment services provided by a person other than an
2 investment adviser appointed under this Section, including but
3 not limited to services provided by the kinds of persons listed
4 in items (1) through (4) of subsection (a), shall be rendered
5 only after full written disclosure of direct and indirect fees,
6 commissions, penalties, and any other compensation that shall
7 or may be received by the person rendering those services.

8 (e) The board of trustees of each pension fund or
9 retirement system shall retain records of investment
10 transactions in accordance with the rules of the Department of
11 Financial and Professional Regulation Insurance.

12 (f) This subsection applies to the board of trustees of a
13 pension fund or retirement system created under Article 2, 14,
14 15, 16, or 18. Notwithstanding any other provision of law, a
15 board of trustees shall comply with the Business Enterprise for
16 Minorities, Females, and Persons with Disabilities Act. The
17 board of trustees shall post upon its website the percentage of
18 its contracts awarded under this Section currently and during
19 the preceding 5 fiscal years that were awarded to "minority
20 owned businesses", "female owned businesses", and "businesses
21 owned by a person with a disability", as those terms are
22 defined in the Business Enterprise for Minorities, Females, and
23 Persons with Disabilities Act.

24 (g) This Section is a denial and limitation of home rule
25 powers and functions in accordance with subsection (i) of
26 Section 6 of Article VII of the Illinois Constitution. A home

1 rule unit may not regulate investment adviser and consultant
2 contracts in a manner that is less restrictive than the
3 provisions of this Section.

4 (Source: P.A. 90-507, eff. 8-22-97.)

5 (40 ILCS 5/1-113.12)

6 Sec. 1-113.12. Application. Sections 1-113.1 through
7 1-113.10 apply only to pension funds established under Article
8 3 or 4 of this Code, except that Section 1-113.5 applies to all
9 pension funds and retirement systems established under this
10 Code.

11 (Source: P.A. 90-507, eff. 8-22-97.)

12 (40 ILCS 5/1-125 new)

13 Sec. 1-125. No monetary gain on investments. No trustee or
14 employee of the board of any retirement system or pension fund
15 or of the Illinois State Board of Investment shall have any
16 direct interest in the income, gains, or profits of any
17 investments made in behalf of the retirement system or pension
18 fund or of the Illinois State Board of Investment, nor receive
19 any pay or emolument for services in connection with any
20 investment. No trustee or employee of the board of any
21 retirement system or pension fund or the Illinois State Board
22 of Investment shall become an endorser or surety, or in any
23 manner an obligor for money loaned or borrowed from the
24 retirement system or pension fund or the Illinois State Board

1 of Investment. Whoever violates any of the provisions of this
2 Section is guilty of a Class 3 felony.

3 (40 ILCS 5/1-130 new)

4 Sec. 1-130. Fraud. Any person who knowingly makes any false
5 statement, or falsifies or permits to be falsified any record
6 of a retirement system or pension fund or of the Illinois State
7 Board of Investment, in an attempt to defraud the retirement
8 system or pension fund or the Illinois State Board of
9 Investment, is guilty of a Class 3 felony.

10 (40 ILCS 5/1-135 new)

11 Sec. 1-135. Prohibition on gifts.

12 (a) For the purposes of this Section:

13 (1) "Board" means (i) the board of trustees of a
14 pension fund or retirement system created under this Code
15 or (ii) the Illinois State Board of Investment created
16 under Article 22A of this Code.

17 (2) "Gift" means a gift as defined in Section 1-5 of
18 the State Officials and Employees Ethics Act.

19 (3) "Prohibited source" is a person or entity who:

20 (i) is seeking official action (A) by the board,
21 (B) by a board member, or (C) in the case of a board
22 employee, by the employee, the board, a board member,
23 or another employee directing the employee;

24 (ii) does business or seeks to do business (A) with

1 the board, (B) with a board member, or (C) in the case
2 of a board employee, with the employee, the board, a
3 board member, or another employee directing the
4 employee;

5 (iii) has interests that may be substantially
6 affected by the performance or non-performance of the
7 official duties of the board member or employee; or

8 (iv) is registered or required to be registered
9 with the Secretary of State under the Lobbyist
10 Registration Act, except that an entity not otherwise a
11 prohibited source does not become a prohibited source
12 merely because a registered lobbyist is one of its
13 members or serves on its board of directors.

14 (b) No board member or employee shall solicit or accept any
15 gift from a prohibited source or from an officer, agent, or
16 employee of a prohibited source. No prohibited source or
17 officer, agent, or employee of a prohibited source shall offer
18 to a board member or employee any gift.

19 (c) Violation of this Section is a Class A misdemeanor.

20 (40 ILCS 5/1-140 new)

21 Sec. 1-140. Contingent fees. No person shall retain or
22 employ another to attempt to influence the outcome of an
23 investment decision of or the procurement of investment advice
24 or services by a board of a pension fund or retirement system
25 or the Illinois State Board of Investment for compensation

1 contingent in whole or in part upon the decision or
2 procurement, and no person shall accept any such retainer or
3 employment for compensation contingent in whole or in part upon
4 the decision or procurement. Any person who violates this
5 Section is guilty of a business offense and shall be fined not
6 more than \$10,000. In addition, any person convicted of a
7 violation of this Section is prohibited for a period of 3 years
8 from conducting such activities.

9 (40 ILCS 5/1A-113)

10 Sec. 1A-113. Penalties.

11 (a) A pension fund that fails, without just cause, to file
12 its annual statement within the time prescribed under Section
13 1A-109 shall pay to the Department a penalty to be determined
14 by the Department, which shall not exceed \$100 for each day's
15 delay.

16 (b) A pension fund that fails, without just cause, to file
17 its actuarial statement within the time prescribed under
18 Section 1A-110 or 1A-111 shall pay to the Department a penalty
19 to be determined by the Department, which shall not exceed \$100
20 for each day's delay.

21 (c) A pension fund that fails to pay a fee within the time
22 prescribed under Section 1A-112 shall pay to the Department a
23 penalty of 5% of the amount of the fee for each month or part of
24 a month that the fee is late. The entire penalty shall not
25 exceed 25% of the fee due.

1 (d) This subsection applies to any governmental unit, as
2 defined in Section 1A-102, that is subject to any law
3 establishing a pension fund or retirement system for the
4 benefit of employees of the governmental unit.

5 Whenever the Division determines by examination,
6 investigation, or in any other manner that the governing body
7 or any elected or appointed officer or official of a
8 governmental unit has failed to comply with any provision of
9 that law:

10 (1) The Director shall notify in writing the governing
11 body, officer, or official of the specific provision or
12 provisions of the law with which the person has failed to
13 comply.

14 (2) Upon receipt of the notice, the person notified
15 shall take immediate steps to comply with the provisions of
16 law specified in the notice.

17 (3) If the person notified fails to comply within a
18 reasonable time after receiving the notice, the Director
19 may hold a hearing at which the person notified may show
20 cause for noncompliance with the law.

21 (4) If upon hearing the Director determines that good
22 and sufficient cause for noncompliance has not been shown,
23 the Director may order the person to submit evidence of
24 compliance within a specified period of not less than 30
25 days.

26 (5) If evidence of compliance has not been submitted to

1 the Director within the period of time prescribed in the
2 order and no administrative appeal from the order has been
3 initiated, the Director may assess a civil penalty of up to
4 \$2,000 against the governing body, officer, or official for
5 each noncompliance with an order of the Director.

6 The Director shall develop by rule, with as much
7 specificity as practicable, the standards and criteria to be
8 used in assessing penalties and their amounts. The standards
9 and criteria shall include, but need not be limited to,
10 consideration of evidence of efforts made in good faith to
11 comply with applicable legal requirements. This rulemaking is
12 subject to the provisions of the Illinois Administrative
13 Procedure Act.

14 If a penalty is not paid within 30 days of the date of
15 assessment, the Director without further notice shall report
16 the act of noncompliance to the Attorney General of this State.
17 It shall be the duty of the Attorney General or, if the
18 Attorney General so designates, the State's Attorney of the
19 county in which the governmental unit is located to apply
20 promptly by complaint on relation of the Director of Insurance
21 in the name of the people of the State of Illinois, as
22 plaintiff, to the circuit court of the county in which the
23 governmental unit is located for enforcement of the penalty
24 prescribed in this subsection or for such additional relief as
25 the nature of the case and the interest of the employees of the
26 governmental unit or the public may require.

1 (e) Whoever knowingly makes a false certificate, entry, or
2 memorandum upon any of the books or papers pertaining to any
3 pension fund or upon any statement, report, or exhibit filed or
4 offered for file with the Division or the Director of Insurance
5 in the course of any examination, inquiry, or investigation,
6 with intent to deceive the Director, the Division, or any of
7 its employees is guilty of a Class 3 felony ~~A misdemeanor~~.

8 (Source: P.A. 90-507, eff. 8-22-97.)

9 (40 ILCS 5/22A-108.1) (from Ch. 108 1/2, par. 22A-108.1)

10 Sec. 22A-108.1. Investment Advisor: Any person or business
11 entity which provides investment advice to the ~~the~~ Board on a
12 personalized basis and with an understanding of the policies
13 and goals of the Board. "Investment Advisor" shall not include
14 any person or business entity which provides statistical or
15 general market research data available for purchase or use by
16 others.

17 (Source: P.A. 79-1171.)

18 (40 ILCS 5/22A-111) (from Ch. 108 1/2, par. 22A-111)

19 Sec. 22A-111. Duties and responsibilities.

20 (a) The Board shall manage the investments of any pension
21 fund, retirement system or education fund for the purpose of
22 obtaining a total return on investments for the long term. It
23 also shall perform such other functions as may be assigned or
24 directed by the General Assembly.

1 (b) The authority of the board to manage pension fund
2 investments and the liability shall begin when there has been a
3 physical transfer of the pension fund investments to the board
4 and placed in the custody of the State Treasurer.

5 (c) The authority of the board to manage monies from the
6 education fund for investment and the liability of the board
7 shall begin when there has been a physical transfer of
8 education fund investments to the board and placed in the
9 custody of the State Treasurer.

10 (d) The board may not delegate its management functions but
11 it may arrange to compensate for personalized investment
12 advisory service for any or all investments under its control,
13 with any national or state bank or trust company authorized to
14 do a trust business and domiciled in Illinois, or other
15 financial institution organized under the laws of Illinois, or
16 an investment advisor who is qualified under Federal Investment
17 Advisors Act of 1940 and is registered under the Illinois
18 Securities Law of 1953. Nothing contained herein shall prevent
19 the Board from subscribing to general investment research
20 services available for purchase or use by others. The Board
21 shall also have the authority to compensate for accounting
22 services.

23 (e) Notwithstanding any other provision of law, a person or
24 entity that provides consulting services (referred to as a
25 "consultant" in this Section) to the board with respect to the
26 selection of fiduciaries may not be awarded a contract to

1 provide those consulting services that is more than 5 years in
2 duration. No contract to provide such consulting services may
3 be renewed or extended. At the end of the term of a contract,
4 however, the contractor is eligible to compete for a new
5 contract as provided in subsection (f). Neither the board nor a
6 consultant shall attempt to avoid or contravene the
7 restrictions of this subsection by any means.

8 (f) The selection of a consultant, and the contracting for
9 investment services from a consultant, constitute procurements
10 of professional and artistic services under the Illinois
11 Procurement Code that must be made and awarded in accordance
12 with and through the use of the method of selection required by
13 Article 35 of that Code. All offers from responsive offerors
14 shall be accompanied by disclosure of the names and addresses
15 of the offeror and any affiliated persons or entities.

16 "Affiliated person" means (i) any person with any ownership
17 interest or distributive share of the bidding or contracting
18 entity in excess of 5%, (ii) executive employees of the bidding
19 or contracting entity, and (iii) the spouse and minor children
20 of any such persons.

21 "Affiliated entity" means (i) any subsidiary of the bidding
22 or contracting entity, (ii) any member of the same unitary
23 business group, or (iii) any political committee for which the
24 bidding or contracting entity is the sponsoring entity.

25 Beginning on July 1, 2007, a person, other than a trustee
26 or an employee of the board, may not act as a consultant under

1 this Section unless that person is at least one of the
2 following: (i) registered as an investment adviser under the
3 federal Investment Advisers Act of 1940 (15 U.S.C. 80b-1, et
4 seq.); (ii) registered as an investment adviser under the
5 Illinois Securities Law of 1953; (iii) a bank, as defined in
6 the Investment Advisers Act of 1940; or (iv) an insurance
7 company authorized to transact business in this State.

8 In addition to any other requirement, each contract between
9 the Board and an investment advisor or consultant shall include
10 (i) full disclosure of direct and indirect fees, commissions,
11 penalties, and other compensation, including reimbursement for
12 expenses, that may be paid by or on behalf of the investment
13 advisor or consultant in connection with the provision of
14 services to the pension fund or retirement system and (ii) a
15 requirement that the investment advisor or consultant update
16 the disclosure promptly after a modification of those payments
17 or an additional payment.

18 Within 30 days after the effective date of this amendatory
19 Act of the 95th General Assembly, each investment advisor and
20 consultant currently providing services or subject to an
21 existing contract for the provision of services must disclose
22 to the Board all direct and indirect fees, commissions,
23 penalties, and other compensation paid by or on behalf of the
24 investment advisor or consultant in connection with the
25 provision of those services and shall update that disclosure
26 promptly after a modification of those payments or an

1 additional payment.

2 The disclosures required by this subsection shall be in
3 writing and shall include the date and amount of each payment
4 and the name and address of each recipient of a payment.

5 Notwithstanding any other provision of law, the Board shall
6 comply with the Business Enterprise for Minorities, Females,
7 and Persons with Disabilities Act. The Board shall post upon
8 its website the percentage of its contracts awarded under this
9 subsection currently and during the preceding 5 fiscal years
10 that were awarded to "minority owned businesses", "female owned
11 businesses", and "businesses owned by a person with a
12 disability", as those terms are defined in the Business
13 Enterprise for Minorities, Females, and Persons with
14 Disabilities Act.

15 (Source: P.A. 84-1127.)

16 (40 ILCS 5/2-152 rep.)

17 (40 ILCS 5/2-155 rep.)

18 (40 ILCS 5/12-190.3 rep.)

19 (40 ILCS 5/13-806 rep.)

20 (40 ILCS 5/14-148 rep.)

21 (40 ILCS 5/15-186 rep.)

22 (40 ILCS 5/15-189 rep.)

23 (40 ILCS 5/16-191 rep.)

24 (40 ILCS 5/16-198 rep.)

25 (40 ILCS 5/18-159 rep.)

1 (40 ILCS 5/18-162 rep.)

2 Section 40. The Illinois Pension Code is amended by
3 repealing Sections 2-152, 2-155, 12-190.3, 13-806, 14-148,
4 15-186, 15-189, 16-191, 16-198, 18-159, and 18-162.

5 Section 45. The Whistleblower Act is amended by changing
6 Sections 5 and 15 and by adding Section 40 as follows:

7 (740 ILCS 174/5)

8 Sec. 5. Definitions. As used in this Act:

9 "Employer" means: an individual, sole proprietorship,
10 partnership, firm, corporation, association, and any other
11 entity that has one or more employees in this State, including
12 a political subdivision of the State; a unit of local
13 government; a school district, combination of school
14 districts, or governing body of a joint agreement of any type
15 formed by two or more school districts; a community college
16 district, State college or university, or any State agency
17 whose major function is providing educational services; any
18 authority including a department, division, bureau, board,
19 commission, or other agency of these entities; and any person
20 acting within the scope of his or her authority express or
21 implied on behalf of those entities in dealing with its
22 employees ~~except that "employer" does not include any~~
23 ~~governmental entity.~~

24 "Employee" means any individual who is employed on a

1 full-time, part-time, or contractual basis by an employer.

2 (Source: P.A. 93-544, eff. 1-1-04.)

3 (740 ILCS 174/15)

4 Sec. 15. Retaliation for certain disclosures prohibited.

5 (a) An employer may not retaliate against an employee who
6 discloses information in a court, an administrative hearing, or
7 before a legislative commission or committee, or in any other
8 proceeding, where the employee has reasonable cause to believe
9 that the information discloses a violation of a State or
10 federal law, rule, or regulation.

11 (b) An employer may not retaliate against an employee for
12 disclosing information to a government or law enforcement
13 agency, where the employee has reasonable cause to believe that
14 the information discloses a violation of a State or federal
15 law, rule, or regulation.

16 (Source: P.A. 93-544, eff. 1-1-04.)

17 (740 ILCS 174/40 new)

18 Sec. 40. Home Rule Limitation. It is the public policy of
19 this State, pursuant to paragraphs (h) and (i) of Section 6 of
20 Article VII of the Illinois Constitution that the provisions of
21 this Act are the exclusive exercise by the State of powers and
22 functions which might otherwise be exercised by other home rule
23 units. Such powers and functions may not be exercised
24 concurrently, either directly or indirectly by any unit of

1 local government, including any home rule unit except as
2 otherwise authorized by this Act.

3 Section 50. The Whistleblower Reward and Protection Act is
4 amended by changing Sections 2 and 3 as follows:

5 (740 ILCS 175/2) (from Ch. 127, par. 4102)

6 Sec. 2. Definitions. As used in this Act:

7 (a) "State" means the State of Illinois; any agency of
8 State government; the system of State colleges and
9 universities, any school district, community college district,
10 county, municipality, municipal corporation, unit of local
11 government, and any combination of the above under an
12 intergovernmental agreement that includes provisions for a
13 governing body of the agency created by the agreement. ~~and any~~
14 ~~of the following entities which may elect to adopt the~~
15 ~~provisions of this Act by ordinance or resolution, a copy of~~
16 ~~which shall be filed with the Attorney General within 30 days~~
17 ~~of its adoption: the system of State colleges and universities,~~
18 ~~any school district, any public community college district, any~~
19 ~~municipality, municipal corporations, units of local~~
20 ~~government, and any combination of the above under an~~
21 ~~intergovernmental agreement that includes provisions for a~~
22 ~~governing body of the agency created by the agreement.~~

23 (b) "Guard" means the Illinois National Guard.

24 (c) "Investigation" means any inquiry conducted by any

1 investigator for the purpose of ascertaining whether any person
2 is or has been engaged in any violation of this Act.

3 (d) "Investigator" means a person who is charged by the
4 Department of State Police with the duty of conducting any
5 investigation under this Act, or any officer or employee of the
6 State acting under the direction and supervision of the
7 Department of State Police, through the Division of Operations
8 or the Division of Internal Investigation, in the course of an
9 investigation.

10 (e) "Documentary material" includes the original or any
11 copy of any book, record, report, memorandum, paper,
12 communication, tabulation, chart, or other document, or data
13 compilations stored in or accessible through computer or other
14 information retrieval systems, together with instructions and
15 all other materials necessary to use or interpret such data
16 compilations, and any product of discovery.

17 (f) "Custodian" means the custodian, or any deputy
18 custodian, designated by the Attorney General under subsection
19 (i) (1) of Section 6.

20 (g) "Product of discovery" includes:

21 (1) the original or duplicate of any deposition,
22 interrogatory, document, thing, result of the inspection
23 of land or other property, examination, or admission, which
24 is obtained by any method of discovery in any judicial or
25 administrative proceeding of an adversarial nature;

26 (2) any digest, analysis, selection, compilation, or

1 derivation of any item listed in paragraph (1); and
2 (3) any index or other manner of access to any item
3 listed in paragraph (1).

4 (Source: P.A. 91-760, eff. 1-1-01.)

5 (740 ILCS 175/3) (from Ch. 127, par. 4103)

6 Sec. 3. False claims.

7 (a) Liability for certain acts. Any person who:

8 (1) knowingly presents, or causes to be presented, to
9 an officer or employee of the State or a member of the
10 Guard a false or fraudulent claim for payment or approval;

11 (2) knowingly makes, uses, or causes to be made or
12 used, a false record or statement to get a false or
13 fraudulent claim paid or approved by the State;

14 (3) conspires to defraud the State by getting a false
15 or fraudulent claim allowed or paid;

16 (4) has possession, custody, or control of property or
17 money used, or to be used, by the State and, intending to
18 defraud the State or willfully to conceal the property,
19 delivers, or causes to be delivered, less property than the
20 amount for which the person receives a certificate or
21 receipt;

22 (5) authorized to make or deliver a document certifying
23 receipt of property used, or to be used, by the State and,
24 intending to defraud the State, makes or delivers the
25 receipt without completely knowing that the information on

1 the receipt is true;

2 (6) knowingly buys, or receives as a pledge of an
3 obligation or debt, public property from an officer or
4 employee of the State, or a member of the Guard, who
5 lawfully may not sell or pledge the property; ~~or~~

6 (7) knowingly makes, uses, or causes to be made or
7 used, a false record or statement to conceal, avoid or
8 decrease an obligation to pay or transmit money or property
9 to the State;~~or~~

10 (8) knowingly takes adverse employment action against
11 an employee for disclosing information to a government or
12 law enforcement agency, if the employee has reasonable
13 cause to believe that the information discloses a violation
14 of State or federal law, rule, or regulation; or

15 (9) knowingly retaliates against an employee who has
16 disclosed information in a court, an administrative
17 hearing, before a legislative commission or committee, or
18 in another proceeding and discloses information, if the
19 employee has reasonable cause to believe that the
20 information discloses a violation of State or federal law,
21 rule, or regulation,

22 is liable to the State for a civil penalty of not less than
23 \$5,500 and not more than \$11,000, plus 3 times the amount of
24 damages which the State sustains because of the act of that
25 person. A person violating this subsection (a) shall also be
26 liable to the State for the costs of a civil action brought to

1 recover any such penalty or damages.

2 (b) Knowing and knowingly defined. As used in this Section,
3 the terms "knowing" and "knowingly" mean that a person, with
4 respect to information:

5 (1) has actual knowledge of the information;

6 (2) acts in deliberate ignorance of the truth or
7 falsity of the information; or

8 (3) acts in reckless disregard of the truth or falsity
9 of the information, and no proof of specific intent to
10 defraud is required.

11 (c) Claim defined. As used in this Section, "claim"
12 includes any request or demand, whether under a contract or
13 otherwise, for money or property which is made to a contractor,
14 grantee, or other recipient if the State provides any portion
15 of the money or property which is requested or demanded, or if
16 the State will reimburse such contractor, grantee, or other
17 recipient for any portion of the money or property which is
18 requested or demanded. A claim also includes a request or
19 demand for money damages or injunctive relief on behalf of an
20 employee who has suffered an adverse employment action taken in
21 violation of paragraphs (8) or (9) of subsection (a).

22 (d) Exclusion. This Section does not apply to claims,
23 records, or statements made under the Illinois Income Tax Act.

24 (Source: P.A. 94-1059, eff. 7-31-06.)

25 Section 90. The State Mandates Act is amended by adding

1 Section 8.31 as follows:

2 (30 ILCS 805/8.31 new)

3 Sec. 8.31. Exempt mandate. Notwithstanding Sections 6 and 8
4 of this Act, no reimbursement by the State is required for the
5 implementation of any mandate created by this amendatory Act of
6 the 95th General Assembly.

7 Section 98. Severability. The provisions of this Act are
8 severable under Section 1.31 of the Statute on Statutes.

9 Section 99. Effective date. This Act takes effect upon
10 becoming law.".